

# The NATIONAL UNDERWRITER



## AN AROUSED AMERICA DEMANDS MORE PREPAREDNESS OF INSURANCE MEN, TOO!



As America arms, meteoric changes are taking place. Initiative and enterprise have risen to a challenge. Construction, production and transportation are roaring ahead. Payrolls are multiplying. All business is surging from the stimulus of more work to do, more people at work, more turnover of goods and money.

Never has the potential market for insurance expanded so rapidly. Never were there so many new conditions, new hazards and new responsibilities—calling for guidance about the insurance protection needed.

These are no times for hit-or-miss solicitation. These are times which demand knowledge . . . knowledge of the scope and functions of the coverages you have available . . . knowledge with which to analyze the current needs of a client . . . knowledge from which to build a compre-

hensive plan of protection . . . knowledge with which to discover new opportunities for extending the kind of insurance advice America needs now.

Be prepared! Meet the challenge of changing times. Keep expanding your knowledge—through the instruction provided by your company. Your opportunities and your responsibilities were never greater.

### QUIZ

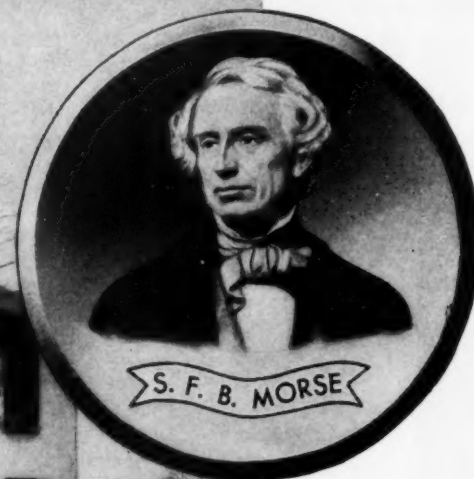


- 1 Is there a difference between underwriting requirements in the case of an ordinary supply contract and the contracts now being let for materials required under the defense program?
- 2 What extra hazard, if any, exists when the contractor fabricates material furnished by the government as against a contract in which both material and labor are furnished by the contractor?
- 3 What are the special hazards found in long-term contracts?

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THURSDAY, APRIL 10, 1941

# F A M O U S      A M E R I C A N      H O M E S



## S. F. B. MORSE



S. F. B. Morse, son of Rev. Dr. Jedidiah Morse, the early American geographer, was born in Charlestown, Mass., on April 27th, 1791. His father wanted him to study for the ministry and when Samuel insisted upon becoming an artist, told him that he was throwing his life away.

In 1811, after graduating from Yale, Morse went abroad to study under Benjamin West. He became an artist of the first rank and painted many portraits of prominent Americans. His portrait of Lafayette, made when the general last visited America, now hangs in the Mayor's office at City Hall, New York, and is valued at \$250,000.

Morse's first telegraph instrument was made out of an old artist's canvas stretcher and portions of a wooden clock. In 1837, when Alfred Vail examined this contraption, he was so impressed that he invested \$2,000 and became Morse's partner. A patent was obtained and, in 1843, Congress voted \$30,000 with which to construct an experimental telegraph line between Baltimore and the Supreme Court Chamber in

the Capitol at Washington, D. C. Ezra Cornell, who later founded Cornell University, was the workman who erected the poles and strung the wires for the demonstration which was a complete success. The first message sent was . . . "What Hath God Wrought".

Morse met Daguerre, the inventor of photography, upon one of his trips abroad and they had become warm friends. In 1839, Daguerre sent him his camera specifications and from these Morse constructed the first camera ever built in America. With it he photographed the Church of the Messiah in Broadway and this was the first photograph ever taken on the Western Hemisphere.

During the last two decades of his life Mr. Morse lived on the banks of the Hudson river near Poughkeepsie. He had converted the original farmhouse into a beautiful Italian Villa surrounded by spacious gardens. A telegraph instrument on his library desk was connected by direct wire to New York and he often talked by it to friends in distant parts of the country, and later with those in Europe over the Atlantic Cable.

*The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.*

*The* HOME INSURANCE COMPANY

★ ★ ★ NEW YORK ★ ★ ★

F I R E ,    A U T O M O B I L E    A N D    M A R I N E    I N S U R A N C E

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# The NATIONAL UNDERWRITER

Forty-fifth Year—No. 15

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 10, 1941

\$4.00 Year, 20 Cents a Copy

## N. Y. Legislators Again Defer Policy Revision

### Legislature Decides Not to Act Due to Explosion Hazard of Day

NEW YORK—Adjournment of the New York legislature last Thursday dashed the hope of advocates of a revised standard fire insurance policy that the measure providing for its adoption would be enacted in 1941. Whether a further effort to attain the desired result will be made when the legislature meets next January remains to be seen.

Superintendent Pink has been a consistent advocate of revision of the present standard fire policy, which has been in use here and in many other states since 1918, and has urged support of the idea at gatherings of the National Association of Insurance Commissioners. Pressure to secure passage of the bill was strong almost up to the closing days of the 1941 session and it was anyone's guess as to what the outcome would be.

When opposition to the measure was offered, the department considered the wisdom of offering a new contract which it had prepared, and which so far from being rigid in its terms, as was the intended form before the legislature, would permit of such changes, either by way of additions or deletions, as might be considered desirable from time to time after public hearings were held. The bill was not presented, however, proponents of the revised form already before the legislature holding if its passage were to be secured, it must have united support, and the appearance of a second measure might be confusing.

### Cites Many Endorsements

The joint legislative committee on recodification of the insurance law, in a final report to the legislature on the proposed revision of the standard policy stated that the present policy has served without change for 24 years and this long period of service is regarded by some as the reason for change and is regarded by others as evidence that the policy has been tried and found satisfactory. The committee observed that most of the policies issued are varied by many endorsements "confusing to the layman." There is a large possibility of the commission of errors by clerks attaching endorsements, according to the committee.

The committee quoted George W. Goble of the Illinois University law school, who has been an advocate of revision of the policy, and endorsed Professor Goble's contention that a policy containing so many conditions becomes a contract "payable at the conscience of the insurance company."

"One could entertain a suspicion," the committee stated, "that confirmed arson-

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## Hour-by-Hour Program for N.A.I.A. Oakland Rally

Complete details of the program for the mid-year meeting of the National Association of Insurance Agents at Oakland, Cal., April 21-24, were issued this week.

Including four forums on subjects of high current interest, and a full day slated for a "Pattern for Production" program to be presented under the direction of the Business Development Office, the convention program promises to be one of the most useful and interesting in National association history.

The complete program follows:

### Friday, April 18

10 a. m.—Meeting of national executive committee, continuing throughout the day and evening.

### Saturday, April 19

9:30 a. m.—Meeting of national executive committee, continuing throughout the day and evening.

10 a. m.—Meeting of far west territorial councillors group, Hotel Claremont, Berkeley.

10 a. m.—Meeting of directors of California Association of Insurance Agents, Hotel Claremont, Berkeley.

### Sunday, April 20

9:30 a. m.—Meeting of national executive committee throughout day and evening.

### Monday Morning, April 21

10 a. m.—First convention session. Pattern for production, B. D. O. program for sales efficiency, Allan I. Wolff, Associated Agencies, Chicago, past president National association and chairman agents' advisory council of B. D. O., presiding.

Call to order by the president.  
Invocation—Rev. H. F. Burr, pastor of Piedmont Community Church, Piedmont, Cal.

Introduction of the presiding officer.  
Presentation of Milton W. Mays, director B. D. O..

"Constructive Selling," John T. Breckon, assistant director B. D. O., San Francisco.

"Getting Ahead," Frank H. Beckmann, Beckmann, Hollister & Co., business engineers, San Francisco.

"What Makes the Buyer Buy," Roy A. Duffus, James Johnston agency, Rochester, N. Y.

General open discussion.

### Monday Afternoon and Evening

2 p. m.—Second convention session.  
"Your Silent Salesman," Herbert H. Kirschner, vice-president and manager Kirschner & Co., advertising, San Francisco.

"Making the Unprofitable Account Profitable," H. W. Semmelmeier, manager public relations Pacific Board, San Francisco.

"A Day at the Office," H. P. North, assistant director B. D. O., New York.

"Streamlined Agency Operation," William B. Glassick, Howkins & Glassick, Hollywood, Cal., president Insurance Exchange of Los Angeles.

A model office will be located in the Hotel Oakland. Mr. Glassick will conduct lecture tours explaining the operations of the office. Tours will be held at 4, 5, 8 and 9 p. m. Admission will be by ticket only, each tour party being limited to 45. Tickets may be secured at the registration desk. If, at the scheduled hour, a full party of 45 has not been admitted, those without tickets desiring to attend will be admitted up to the quota.

2 p. m.—Meeting of committee on graduated company expenses and commissions, Ralph W. Howe, Davenport agency, Richmond, Va., presiding.

4 p. m.—Joint meeting of committees on fire prevention and accident prevention, A. B. Millard, Grand Rapids, Mich., chairman accident prevention committee, presiding.

6:30 p. m.—Dinner advisory council, B. D. O.

8 p. m.—Continuation of meeting of committee on graduated expenses.

8 p. m.—Meeting of executive secretaries and managers of local boards.

8 p. m.—Meeting of executive secretaries and managers of state associations.

### Tuesday, April 22

7:45 a. m.—Committee breakfast conferences.

Accident prevention—A. B. Millard, Grand Rapids, chairman, presiding.

Fire Prevention—Chas. W. Schoelzel, Van Schaack & Co., Denver, chairman, presiding.

Membership—David A. North, New Haven, Conn., chairman, presiding.

Rural agents—Alex H. Case, Marlon, Kan., chairman, presiding.

10 a. m.—National councillors territorial conferences.

Eastern—R. M. L. Carson, Glens Falls, N. Y., presiding.

Southern—Ed H. Moore, Birmingham, Ala., presiding.

Middle western—George W. Carter, Detroit Insurance Agency, presiding.

12:30 p. m.—Joint luncheon for state association officers and national councillors.

12:30 p. m.—Luncheon meeting advisory committee of the N. A. I. A., W. H. Menn, Los Angeles, past president, presiding.

2:15 p. m.—Semi-annual meeting of the national council, R. W. Forshay, Anita, Ia., vice-president National association, presiding.

2:15 p. m.—Semi-annual meeting of state association officers, Sidney O. Smith, Gainesville, Ga., chairman national executive committee, presiding.

1. Recommended minimum standards program for local boards.

2. Untapped and undeveloped public relations opportunities.

3. Today's training for tomorrow's state association officers.

4. Members are like assured—they require constant service.

7 p. m.—Get-together dinner, Hotel Claremont, Berkeley. President Payne H. Midyette, Tallahassee, Fla., presiding.

Greetings, W. J. McCracken, mayor; John F. Hassler, city manager of Oakland; Harry A. Perk, Jr., Los Angeles, president California Association of Insurance Agents; K. G. White, president Oakland Association of Insurance Agents.

Response, William B. Calhoun, Milwaukee, past president National association.

Forum discussion.

Agency licensing and countersignature laws: Developments from St. Paul convention to date; legal aspects; possible results of restrictive laws; progressive position.

George W. Haerle, Charles W. Sexton Company, Portland, Ore., member national executive committee, discussion.

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## G. E. Edmondson New President of General Agents Body

### More Than 150 Attend Three Day Annual Meet- ing in Florida

HOLLYWOOD BEACH, FLA.—George E. Edmondson of Tampa was elected president of the American Association of Insurance General Agents succeeding Stuart B. Scruggs of Dallas at the convention here. The 1942 convention no doubt will be held at Charleston, S. C., if the usual custom of meeting in the home state of the chairman of the executive committee is followed through. To this post Mr. Edmondson named S. Lewis Johnson of Johnson & Johnson.

John G. Seibels of Columbia, S. C., was reelected vice-president for the eastern territory while Phil Richards of San Francisco was chosen to succeed I. W. Elwell of Seattle as vice-president on the west coast. The perennials, Herbert Cobb Stebbins and Mrs. Dorothy Zietz, were reelected to the posts of secretary and assistant secretary. Langdon Quin of Atlanta headed the nominating committee.

Scheduled to speak on Wednesday, Sidney O. Smith, Gainesville, Ga., chairman of the executive committee of the National Association of Insurance Agents, was moved up to the Monday morning session so that he could depart for the midyear meeting at Oakland, Cal. Mr. Smith delivered a very splendid address to the 150 delegates assembled.

### General Agents Are Allies

Mr. Smith stated the general agents constitute a strong ally of the local agents. He stated that he leans heavily on his general agency connections.

L. P. McCord of Jacksonville, Fla., attending the convention, was praised by Mr. Smith for the educational program that he launched for the N. A. I. A. The late George Hurt of the Hurt & Quin general agency of Atlanta was responsible for the entry of Mr. McCord into the insurance business. Another delegate to the meeting, Jas. O. Cobb, general agent Durham, N. C., was also lauded by Mr. Smith for his activities in cooperation with local agency bodies on HOLC and other federal problems. Mr. Cobb spends several days each month in Washington in the interests of the insurance business.

Mr. Smith announced that next month S. S. Huebner in the interests of property and casualty insurance will meet with the American Association of University Teachers of Insurance to discuss educational problems that will go far to elevate the standards of those branches.

Mr. Smith commented briefly on the

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## Theft Bureau Cuts Auto Arson Losses

### Patterson Tells General Agents of Work with Officers in South

Arson has replaced theft as the serious source of losses in the territory of the Automobile Underwriters Detective Bureau, southern division, Claude Patterson, manager, told the American Association of Insurance General Agents convention in Hollywood, Fla.

About two years ago burning of automobiles to collect insurance became so out of line that member companies gave the bureau the job of investigating suspicious fire losses in what Mr. Patterson termed the "fire belt"—Virginia, West Virginia, North Carolina, South Carolina, Georgia, West Florida, Alabama, Arkansas, Louisiana, Mississippi, Tennessee, Kentucky, Missouri, Oklahoma, Texas, southern Illinois and Indiana. This was a new activity, and dealt with one of the most difficult crimes to ferret out and effect a conviction.

#### Break 28 Percent of Cases

"Much to my own surprise, however, in two years in our nine states we have been successful in breaking 28 percent of the claims we have investigated. During the year ending February 1, 1941, we investigated 304 claims and in 199 we were unable to accomplish anything, either through inability to obtain evidence, or if we obtained evidence, to interest prosecuting authorities in taking action. However, during that period we obtained confessions from 41 assured and confessions from 45 persons other than assured, a total of 86. We were successful in obtaining convictions in 30 cases and have 36 indictments pending and three cases yet to be submitted to the grand jury. This was without any reward payment to officers.

"If the companies are unable to exercise proper underwriting control over a major portion of their business by reason of the financing situation," Mr. Patterson said, "if they will supply the funds, we will enlarge our field force and do our very best to whip the arson racket."

#### "Auto Fires" Film Effective

The situation caused Manager E. A. Gormley of the Texas division of the bureau and the Texas Safety Commission to prepare "Auto Fires," a movie-talkie technicolor film showing how untrue are statements given by most persons whose cars are destroyed by fire as to how the fire originated. Mr. Patterson's bureau obtained a copy of the film in October, 1940, and since has exhibited it to 4,000 law enforcement officers and officers in training, in every state in its territory. Wherever a class of officers is in training bureau representatives have been placed on the programs for lectures and showing of this picture.

While the bureau had to start from scratch in theft work, because of co-operation of officers developed in years of close contact with them over the territory and because of the film, Mr. Patterson is optimistic about quicker improvement fire-wise than in the theft work. As a result of the films showing in one state one sub-station of a highway patrol has indicted ten people for burning their cars since Jan. 1, 1941, without a bureau field man being in on the matter at all.

#### School for Fire Marshals

A school for the training of nine deputy fire marshals was put on by a bureau field man in one state at the request of the safety director, who further instructed every member of the state highway patrol to investigate every

(CONTINUED ON LAST PAGE)

## Cairns' Death Big Loss to Insurance

### Though Retired in 1939 He Left Enduring Mark on Business

Death of Edward T. Cairns, retired vice-president of the Fireman's Fund group, at his home in Palo Alto, Cal., was a shock to the insurance fraternity of the country by whom Mr. Cairns was extremely well regarded and highly re-



E. T. CAIRNS

spected. Mr. Cairns succumbed to a heart attack April 5. Funeral services were held in Palo Alto, April 7.

Mr. Cairns' career in insurance was long and distinguished. He entered the business in 1892 as a draughtsman with the Factory Insurance Association at Hartford, his home city. Thirty-five years ago he established the improved risk department for North British & Mercantile in the western department at Chicago. It was during this phase of his career that he displayed the talent for discovering and developing men who made names in the insurance business: Convers Goddard, now of Goddard & Co., Chicago; Charles V. Varley, retired assistant manager western

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## Cincinnati Auto Club Agency Wins Ohio License Suit

COLUMBUS, O.—Judge Leach of the common pleas court here has decided in favor of Automobile Insurance Agency and Edward Bernard of Cincinnati in their suit against Superintendent Lloyd, and has directed that the license applied for by plaintiffs be granted for the remainder of the license year expiring June 30. The court held that in passing on the appeal it has authority to go into the complete record and not be held to the record before the superintendent alone. The court also held that "the qualifications of insurance agents having been fixed by statute, there is no power lodged in the superintendent to add to the qualifications therein enumerated." The appeal involved the construction of Section 644 of the Ohio general code. The motion of the superintendent to dismiss the appeal was denied. The department has now asked for a rehearing of the case.

Relative to the finding that the Automobile Insurance Agency has been acting as agent for the American Motorists and the Grain Dealers National without being licensed to do so by the Ohio department, the court held, "it appears that the acting as an agent for the companies was for business transactions outside of Ohio only; that plaintiffs contend that Section 644 G.C., does not require such a license, but that nevertheless plaintiffs were willing to comply with the insurance division's interpretation of the law in this regard by causing proper applications to be made which were rejected, as shown by the stipulation. It appears that the Automobile Insurance Agency, the plaintiff, is a corporation for profit, is a successor corporation to Automobile Insurance Agency, a corporation not for profit, which in turn was a successor to Cincinnati Automobile Club Insurance Exchange, a corporation not for profit. The question for the court's determination is whether in view of these changes as shown by the records, the applicants are suitable persons to be licensed."

#### Reviews Suitability

Judge Leach enumerates the requirements as to suitability and says: "The record shows, we think, that they intend to hold themselves out in good faith as insurance agents, and from the

## H. H. Reed Again Heads Marine Group

NEW YORK—H. H. Reed, general manager of the New York office of North America, was reelected president of the Association of Marine Underwriters of the United States at the annual meeting Monday.



H. H. REED

vice-president and secretary-treasurer respectively.

whole record there is nothing to show that it is their purpose and intention principally to solicit or place insurance on their own property or that of relatives, employers or employees, etc." The only question left, the court said, was whether they were honest and trustworthy. The court says: "There have been an instance or two of misleading advertising by the predecessor corporation and misleading 'holding out' either by the agency or Cincinnati Automobile Club. Assurances are given that such will not be repeated. We do not think that the record when taken in its entirety supports a conclusion that the plaintiffs are dishonest or untrustworthy."

Continuing the court says: "Of course, the court would be naive if he did not recognize that the real crux or gist of this controversy is the alleged tie-up existing or alleged to exist between the plaintiff agency and the Cincinnati Automobile Club. It is alleged that the agency is still an 'adjunct' of the automobile club. It is shown that the automobile club owns no stock in the agency corporation in trust or escrow for the club. It is also shown that all of the stockholders of the agency corporation are directors of the club with one exception, but that many of the directors of the club are not stockholders in the agency."

#### Up to Legislature

"After the changes in method referred to in the finding of the division of insurance of June 8, 1940 were made, it is true that a certain relationship continues to exist between the agency and the club, which the division may believe, and have good grounds, for believing, ought not to exist. However, the court cannot say that hereby any of the insurance statutes will be violated, the public inconvenienced, and legal wrong justified, or fraud perpetrated. To hold otherwise, it seems to the court, would be to impose a qualification on the licensing of insurance agents, not imposed by the statute. If such further qualification or limitation is to be imposed, it must be imposed by the legislature rather than by an administrative branch or court. The qualification of insurance agents having been fixed by the statute, Section 644 G.C., there is no power lodged in the superintendent of insurance to add to the qualifications therein enumerated."

#### Company Men at Big Tourney

Several company officials were in Augusta, Ga., to witness the Masters Golf Tournament, including R. P. Barbour, U. S. manager of Northern Assurance; P. M. Mell, middle department manager Pearl, Philadelphia, and William R. Hedge, president of Boston and Old Colony.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

## THIS WEEK IN INSURANCE

Details of hour-by-hour program announced for mid-year meeting of National Association of Insurance Agents at Oakland, Cal. **Page 1**

George E. Edmondson of Tampa is elected president of American Association of Insurance General Agents at annual meeting at Hollywood, Fla. **Page 1**

New York legislature adjourns again without acting favorably upon proposed revision of standard fire policy. **Page 1**

Details of how England is meeting the hazard of air raid fires are described by E. W. Elwell at general agents gathering. **Page 6**

Edward T. Cairns, retired vice-president of Fireman's Fund, dies at Palo Alto, Cal. **Page 2**

Price competition will be met automatically when agents improve their own selling, M. W. Mays of B. D. O. tells general agents. **Page 3**

Standard fire policy lack of specific exclusion of sabotage losses indicates they are covered, H. R. Thiemeyer, North America, tells Illinois Fire Underwriters Association in address at quarterly meeting in Chicago this week. **Page 8**

Shipping on the Great Lakes is expected to be larger than ever before, and marine underwriters anticipate the biggest premium volume. **Page 3**

Work of Auto Theft Bureau to reduce southern auto arson losses described by Claude Patterson for general agents. **Page 2**

P. J. Moriarty, veteran of 50 years in insurance, retires as Detroit manager of North British & Mercantile and is succeeded by W. L. Nolen. **Page 12**

Speakers outline activities of respective agencies in National Fire Defense before the National Fire Waste Council at Washington. **Page 5**

Possibility of huge sales of automobile insurance in New York is envisioned as the result of passage of Page-Anderson bill which is modeled after the severe type of New Hampshire financial responsibility law. **Page 23**

Senate passes bill desired by war department to permit waiving of Miller act bonds in connection with supply contracts providing for partial payments as the work progresses. **Page 23**

Program features are announced for annual meeting National Association Independent Insurance Adjusters. **Page 24**

Indiana holds American Motorists can write compensation on a participating basis. **Page 24**

Secretaries G. A. Petersen and L. C. Cox are placed in joint charge of the bonding department at the head office of Great American Indemnity and T. H. Bivin is made head of the bond claim department. **Page 30**

Defense urgency tends to curb bills hostile to insurance. **Page 23**

Over expansion on account of war boom seen as danger. **Page 30**

Some of the problems facing compensation are delineated by Dorsett in his general agents talk. **Page 24**

Special defense risk filing for compensation and employers liability has been approved in 16 states, is pending in six and has been approved in Missouri. **Page 31**

Minimum premium for comprehensive automobile policy reduced by National Bureau. **Page 23**



## Anticipate Biggest Season on Lakes

**Values Up, Rates About Same as Shipping Gets Early Start**

The largest volume of shipping in history is predicted for the Great Lakes as movement gets under way the earliest in several years. Volume of marine premiums on lake business also is expected to be larger than ever before, according to specialists in this line.

Pressure for the movement of material, primarily iron ore, and purchase of a considerable number of lake boats by Canadian and British governments for use elsewhere already has forced up values on hulls. The valuation on lake freighters, arbitrarily set several years ago at \$70 a gross ton, has been increased to \$75. This 7 percent increase will be reflected in premiums, with rates about the same as last year. Self-unloading freighters and tankers are \$92 a ton; if welded, valuation is by agreement.

Cargo rates also are expected to be about the same as 1940, with increased shipping building up premium volume. This is the early season view, however. The trend in all marine rates has been upward, and there may be increases on the Great Lakes.

### Expect 80,000,000 Tons of Ore

Estimates place at 60,000,000 tons the amount of iron ore shipped via lake traffic in 1940. Estimates for 1941 are as high as 80,000,000 tons and more. Record was in 1929, with 65,205,000 tons. Movement of coal will be in proportion, and everything else is expected to move at an accelerated tempo except grain, for which there is no export market. However, there is always substantially the same quantity of grain moving from Superior down to the mills at Buffalo for domestic consumption.

Boats laid up for several years are being reconditioned, classified and put in service. An order was given two weeks ago by Pittsburgh Steamship Co., subsidiary of U. S. Steel, for five freighters of 17,500 tons capacity, bigger by 3,000 tons than anything ever constructed on the lakes. Three of these are being built at Decorse, Mich., and two at Loraine, O. Similar activity is occurring with passenger boats and car ferries, which have package freight holds. The "City of Midland," biggest car ferry in the world, recently was launched by the Pere Marquette railroad at Manitowoc, Wis.

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## Missouri Quiz Ends B.D.O. Finds Need for Better Selling

**Price Is Lesser Obstacle Than Poor Agency Job Mays Tells General Agents**

NEW YORK—After hearing 30 witnesses and accumulating more than 4,100 pages of testimony, investigation of Missouri's Attorney-general McKittrick into conduct of officials of fire companies involved in the Missouri rate case compromise adjourned last Friday till April 23.

On that date hearings will be resumed in Chicago, when more than 20 middle-west insurance executives will testify on their part in the case. Later on John H. Windsor, special commissioner of the Missouri supreme court, will return to New York to hear several more witnesses, and then go to Hartford, where some 20 more officials will be quizzed.

**Eastern Executives Questioned**

To support his ouster proceedings against 124 fire companies, since March 13 McKittrick has been questioning eastern executives in an effort show they had guilty knowledge of the bribery in the Missouri case. This is ground covered by the federal court in a similar series of hearings in 1938. In addition, McKittrick's examination has sought to elicit admission that rates, forms, commissions, etc., on Missouri business were fixed through the Missouri audit and inspection bureaus in violation of the state's anti-trust laws. A third charge is that companies retained a Missouri attorney while he was working on the case for the insurance department.

### Witnesses Offer Little

Among witnesses during the final week of the hearing here was W. F. Brady, vice-president and secretary Merchants Fire of New York, who asserted that no agreements exist with other companies or organizations to control rates in Missouri.

Oswald Tregaskis, U. S. manager of the Sun, did not know about rate making in Missouri, since the western department handled that, and he knew little of the payment of money to Charles R. Street for legal expenses in connection with the Missouri litigation.

Street was "a man everyone thought was honorable in every way," testified Hart Darlington, U. S. manager Norwich Union.

Henry J. Wyatt, vice-president Crum & Forster, was asked by McKittrick whether refusal of the internal revenue department to allow deduction of \$5,000 legal expenses paid Street by Crum & Forster from income in 1935 and 1936 had anything to do with use of the money to effect the Missouri settlement by bribery. Homer Berger, attorney for the companies, objected on grounds such expenses are not allowed till the year

**Price Is Lesser Obstacle Than Poor Agency Job Mays Tells General Agents**

HOLLYWOOD, FLA.—"Some of our most difficult competition today comes from the almost complete lack among the great majority of our producers of any organized plan of selling," Milton W. Mays, director of the Business Development Office, told the American Association of Insurance General Agents convention here.

In a discussion of "Our Competition" Mr. Mays pointed out that work of the B.D.O. has revealed "we have very little understanding of our market, of those who need insurance and who can afford to pay for it. Few offices have a well-defined plan for locating new prospects though they are the life blood of an agency just as new agencies are the life blood of a company. The first sign of deterioration in an agency is when there are no new accounts being put on the books.

### Lack of Planning

"We have no coordinated plan of contacting and interviewing prospects and no prepared sales presentation to lay before those we interview. We have no prepared method of presenting prospects the only story they are interested in, namely, how they can come nearer to achieving for themselves, their dependents and their businesses the security for which they are striving.

"Effective selling is just as mechanical and methodical a process as driving an

(CONTINUED ON PAGE 10)

in which the suit is settled, in this case 1937. The Crum & Forster item was allowed in that year.

Eagle Star asked for a 16% percent increase in Missouri rates because its business had been showing a loss, Harry G. Casper, U. S. manager of the company, testified.

For three days McKittrick questioned E. W. Hotchkin, assistant U. S. manager Royal, on the Western Underwriters Association, influence on rate making in Missouri. Mr. Hotchkin pointed out that Royal had no agreement with other organizations to use bureau rates or not to use its own.

Other witnesses included John F. Williams, vice-president Camden Fire; L. R. Bowden, vice-chairman Meserole group; J. R. Van Horne, secretary Globe & Rutgers, and J. Lester Parsons, president U. S. Fire.

## N. F. P. A. Features Defense Problems

**Many Vital Subjects Slated for Annual Convention in Toronto**

Defense problems will be prominently featured at the annual meeting of the National Fire Protection Association in Toronto, May 12-16.

As usual, the opening feature will be the meeting of the fire marshals section with Horace M. Davis of Nebraska presiding as chairman. Col. G. S. Wright, Nova Scotia, will speak on "Fire Control Under the Blackout."

There will be a session devoted to problems of civil defense with Superintendent V. A. M. Kemp of the Canadian Mounted Police speaking on war duties of his organization. There will be an address by H. H. Clegg, assistant director of the Federal Bureau of Investigation. Lewis Partington, British auxiliary fireman of Coventry, England, will discuss the attack on Coventry.

### Arson Control Developments

The morning of May 13, the fire marshals will receive reports of current developments of arson control. There will be an address on "Juvenile Fire Setting" by C. W. Caskey of the Ontario fire marshal's office.

There will be a meeting of city fire marshals Tuesday afternoon, May 13, with Otto Lindemeyer of Detroit presiding. The Canadian fire marshals will meet at the same time.

Also on the morning of May 13 there will be a meeting of the transportation conference and in the afternoon a meeting of the marine section under Chairman A. J. Smith. Talks will be given on "The New United States Motor Craft Rules" by Capt. H. C. Shephard, United States Bureau of Inspection & Navigation; "Shipyard Fire Protection" by C. A. Vlachos and "Protection and Inspection" by F. A. Willsher, Canadian Board of Steamboat Inspection.

### Volunteer Firemen's Forum

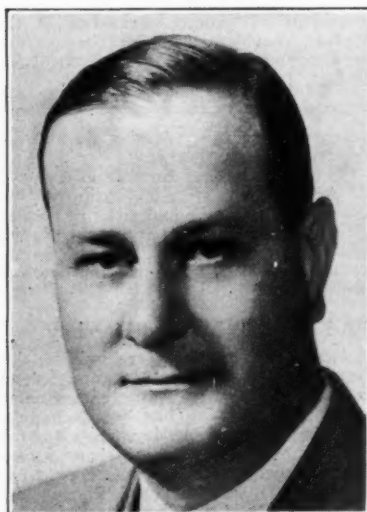
At the first general session the morning of May 13, A. R. Small, president Underwriters Laboratories, will give the presidential message of the N.F.P.A. and G. C. Conant, Ontario attorney general, will speak.

In the afternoon there will be a discussion on fire safety in defense industry.

The morning of May 15 there will be a meeting of the volunteer firemen's forum and that afternoon there will be

(CONTINUED ON LAST PAGE)

## SPEAKERS AT THE MEETING OF THE GENERAL AGENTS ASSOCIATION



L. B. DANIELS, San Francisco



HUNTER BROWN, Pensacola, Fla.



SIDNEY O. SMITH, Gainesville, Ga.



E. W. ELWELL, New York City

## SPEAKERS AT LOCAL AGENTS CONVENTION IN OAKLAND, CAL.



WAYNE C. MEEK, Seattle  
Former National Executive  
Committeeman



S. F. WITHE, Hartford  
Advertising Manager, Aetna Casualty



GEORGE W. SCOTT, New York City,  
Assistant Secretary National  
Association



ALLAN I. WOLFF, Chicago  
Former National President

### Pattern for Local Observance of Nat'l Board's Big Day

The National Board, now observing the 75th anniversary of its founding, has developed the pattern for a suggested program for participation in the "National Defense Through Fire Defense" campaign by various organizations:

Get the mayor to proclaim the week May 21-28, National Board of Fire Underwriters Week.

Award a citation of honor to the individual who has done most for fire prevention and to the local school having the best fire drill, etc.

#### Parade of Fire Equipment

Parade your fire equipment with placards showing how long each piece has been in service. The Boy Scouts, school band, insurance agents and service clubs with their cars covered with fire prevention slogans, the water department engineers, will help.

Demonstrate the effectiveness and adequacy of your fire equipment to meet special emergencies attendant in a national defense program. Speed tests, water throwing ability of fire equipment, as well as demonstration of makeshift operation of department under emergency conditions are a few activities.

Conduct "Open House Week." Hold a luncheon for leaders of women's clubs, business organizations, educators and other leaders. Climax it with a celebration of the National Board's anniversary May 27-28 (a costume party, a field day, etc.)

#### Emergency Fire Fighting

Organize an auxiliary fire fighting force for emergencies. Take advantage of the anniversary celebration to issue a call for such a force. Youth can be trained as a boys' auxiliary fire patrol. Business men can be appointed as volunteer fire marshals in charge of their own office buildings or industrial establishments; teachers can serve as fire councillors.

Parade or exhibit the old and new fire fighting equipment and methods, either the actual paraphernalia or photographs, show the growth of fire protection during the 75 years of operation of National Board. Your librarian will help.

Demonstrate the uses of fire fighting appliances to school children; start a

small outdoor fire and let them operate fire extinguishers.

Distribute self-inspection blanks to home, schools, industrial establishments.

Conduct theme, poster and essay contests in the schools.

#### Distribution of Literature

Conduct a house to house distribution of literature. Call upon the Boy Scouts, Girl Scouts, Camp Fire Girls and schools to assist.

Conduct a national clean-up week. The National Board will supply a program outline.

Talk to fraternal, civic, women's clubs, and urge them to undertake a community-wide program.

Promote a forum series in business organizations on industrial safety, fire prevention in relation to national defense. Stress the role of the National Board.

#### Educate in Fire Prevention

Conduct a fire prevention inspection tour of industrial establishments that have national defense contracts, army camps, schools, etc.

Organize safety courses for employees and self-inspection services.

Distribute descriptive lists of deaths and destruction caused by fire in your community and their causes.

Present motion pictures and slides at local theaters. Display posters in the lobby.

Get the local newspaper, radio station, real estate agent, insurance agents, and business leaders to do their part. Posters and displays in the store windows, spot announcements on the radio, feature stories in the newspapers, are but a few activities.

### N.A.I.A. Members Now Total 15,636

Membership in the National Association of Insurance Agents hit an all-time high on April 1 with the attainment of an enrollment of 15,636 member agencies, it is announced by David A. North of New Haven, chairman of the membership committee. A goal of 16,000 before the close of the present fiscal year, Sept. 1, is well in sight. At Sept. 1, 1940, the membership was 15,601.

The membership growth has been accomplished without recourse to any spectacular drive or pressure campaign. Most of the states are represented in the plus column and all territorial divisions show advances.

### Little Damage on Wide Strike Front

In spite of a long list of strikes involving many thousands of workers and concerning a great number of steel and machinery plants working on defense orders, and in face of considerable violence, little actual property damage seems to have resulted from labor disturbances in the U. S. up to date.

One exception is the Allis-Chalmers plant in Milwaukee. Here a flare-up last week resulted in breakage to a great many windows, and may have caused minor loss inside the plant. The damage is not expected to run to any considerable amount.

Another exception may be Ford's River Rouge plant near Detroit. Reports are confused as to the amount of damage done to the plant itself. Most of the commotion was outside, and ordinarily the plant is exceptionally well guarded inside. However, the Chicago Tribune in a special story from Detroit this week declared damage would run nearly a million dollars. Windows, precision machines, tools, furnaces, finished products, etc., were damaged, according to the Tribune.

Although the factory mutuals carry insurance on Ford plants over the country and at Detroit, the River Rouge plant is self-insured except for the Pratt & Whitney airplane engine factory. It is being constructed within the River Rouge plant and is insured in the factory mutuals.

Damage at other plants where strikes have occurred or are in progress has consisted largely in personal injuries and damage to motor cars.

Threat of the government to take over the Allis-Chalmers plant, when the strike was still unsettled, brought up the question of whether or not government would continue with existing insurance contracts.

### Public Building Rates Are Cut 25% in N. Y. State

After conferences with Superintendent Pink the New York Fire Insurance Rating Organization has filed reduced fire insurance rates for public buildings, hospitals, sanatoria, asylums, jails and public homes and also for educational institutions, colleges, schools, convents and academies in all districts of the state outside of New York City. These reductions, it is estimated, will exceed \$320,000 on a yearly basis and will rep-

### S.C.A. Holds Annual Parley

NEW YORK—Eighty-four percent of the Stock Company Association membership was represented either in person or by proxy at the annual meeting here Tuesday.

In the absence of President P. C. Cothran, vice-president of Phoenix of Hartford, Vice-president Ivan Escott, Home, presided. The report of Secretary-Manager Gale C. Morgan of Washington was submitted, being followed by reports from various standing committees.

#### N. Y. Situation Holds Up Action

The meeting was brief, the inability of Attorney-general Bennett of New York to render a decision as yet upon the revised Home Owners Loan Corporation contract submitted to the insurance department some weeks ago precluding definite action. It was appreciated that commissioners of some other states will base their attitude toward the HOLC-SCA agreement upon the position taken by New York.

All officers and members of the executive committee were reelected for another year, except that W. B. Rearden, executive vice-president of Firemen's, replaces Sheldon Catlin, vice-president of North America, on the executive committee, Mr. Catlin declining to consider reelection.

Vice-president is Ivan Escott, vice-president of Home; treasurer, B. M. Culver, president America Fore; secretary-manager, G. C. Morgan; attorney-in-fact, Joseph Button.

resent an average reduction on all risks concerned of 25 percent.

The rate changes became effective as of April 1. Upon republication of specific rates for individual risks in connection with which there were outstanding policies on that date the appropriate reduction will be made and the new rate will be ante-dated to April 1.

#### "Ad" Men to Meet at Hershey

Hotel Hershey in Hershey, Pa., has been selected for the 1941 annual meeting of the Insurance Advertising Conference. The meeting has been scheduled for Monday and Tuesday, Sept. 8 and 9.

Plans are rapidly taking shape for the spring meeting of the conference, to be held May 15 at the Hotel Roosevelt in New York, and another practical "brass tacks" session is assured.



## Insurance Joins Government in Fire Defense

### Washington Speakers Outline Functions to Fire Waste Council

Speeches at the meeting of the National Fire Waste Council at Washington by representatives of three agencies engaged in combating the multiple fire problems arising with national defense do much to clarify the delegation of fire prevention functions in the defense program. Speakers were R. E. Wilson, associate manager Insurance Committee for the Protection of American Industrial Plants; G. W. Booth, chief engineer National Board, and F. L. Eno, division of state and local cooperation, Advisory Commission to the Council of National Defense.

#### Inspection, Engineering Service

According to Mr. Wilson, the Insurance Committee for the Protection of American Industrial Plants concerns itself with offering the services of trained engineering and inspection forces for making surveys of privately owned plants engaged in war defense. The facilities of the committee are enormous, for its membership includes all the various fire and casualty companies in the country, stock companies, mutuals, and reciprocals, said Mr. Wilson. Results of the surveys of the private plants are consolidated by the committee for the use of the Federal Bureau of Investigation, the Military Intelligence Department and the Office of Naval Intelligence, in safeguarding such properties against interruption by fire, sabotage, or casualty losses.

Working from a priority list of many war defense plants furnished the committee, the various inspection bureaus of the fire and casualty companies are notified that reports with comments and recommendations are desired at intervals of from three or four months, Mr. Wilson said. These bureaus then send the reports on to Washington. The field men making these reports are selected technically trained experts who are often familiar with the inspected plants from previous visits. They are able to discuss hazards intelligently at the factories and often can secure immediate action or promises for prompt attention in remedying undesirable conditions.

#### Scan U. & O. Loss Dangers

From a fire protection standpoint, including explosion and sprinkler loss possibilities, the usual fire hazards must be noted along with degree of fire protection, Mr. Wilson said. Attention is also given to the possibility of interruption from windstorm. Use and Occupancy loss possibilities are also important, for often plants have "bottleneck" operations where the loss of a special machine might affect the production of the whole plant.

From the casualty viewpoint, surveys are made and recommendations are submitted to prevent the maiming, killing and injury of trained workers essential to defense industries. The casualty companies aim to prevent disruption of the production schedule, damage of machinery, and waste of materials which follow in the wake of accidents.

In the war defense plant, sabotage is a hazard which must be given serious consideration, Mr. Wilson declared. Supplementing the staff of the F.B.I., engineers from the insurance committee

have been instructed to point out vulnerable places, where sabotage might cripple production. Their reports cover the details of plant guarding, fencing, use of identifying badges, checking of visitors and adequacy of alarm systems. Thus the insurance committee is on guard against almost every conceivable hazard which might beset private industry engaged in defense.

G. W. Booth of the National Board of Fire Underwriters proceeded to outline the board's contributions to national defense which it renders through technical services covering fire protection engineering and consultation on water

(CONTINUED ON PAGE 35)

### Companies Pay \$240,000 on Tacoma Bridge U. & O. Loss

TACOMA, WASH.—The U. & O. loss on the Tacoma Narrows Bridge was paid in full this week by Home of New York and Northwestern Fire & Marine. The Home policy was \$100,000 and Northwestern's \$140,000. George Newell, general agent for both companies in Seattle, paid over the money to LaBow Haynes, Inc., brokers for the Washington Toll Bridge Authority.

Adjustment disclosed that the state sustained a U. & O. loss of \$387,678, greatly in excess of the \$240,000 car-

ried. However, payments are sufficient to meet interest on the bridge bonds for three years.

U. & O. values were estimated at \$464,749. In arriving at the values, from gross tolls of the bridge were subtracted gross tolls from the temporary ferry service. To this was added the excess cost of operating the ferry service over the bridge operating expense.

Adjustment of the U. & O. loss was handled by W. J. Moe, general adjuster for the Fire Companies Adjustment Bureau, Portland.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

## STRENGTH · PERMANENCE · STABILITY

SAN FRANCISCO—a monument to sound stock company insurance. With gross assets of \$7,200,000, FIREMAN'S FUND settled 8,603 claims totalling \$11,300,000—to the complete satisfaction of all policyholders. This settlement, following the San Francisco fire of 1906, is an unprecedented episode in the history of insurance.



Fire · Automobile · Marine · Casualty · Fidelity · Surety

## FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company — Occidental Insurance Company  
Home Fire & Marine Insurance Company  
Fireman's Fund Indemnity Company — Occidental Indemnity Company

New York · Chicago · SAN FRANCISCO · Boston · Atlanta

DEPENDABLE INSURANCE SINCE 1863

## English Learn How to Fight War Fires

### Elwell Describes for General Agents Successful British Methods

HOLLYWOOD, FLA. — Fighting fire set by German incendiary bombs in English cities was described by E. W. Elwell, U. S. manager of Royal Exchange before the American Association of Insurance General Agents. Since many of the defense measures taken against such fires are secret Mr. Elwell confined himself to only the published part of the story.

Shortly after Munich government officials began to prepare, and surveyed the fire fighting forces of the country. Every available water supply was listed and mapped. Rivers, ponds, lakes and reservoirs were noted and areas which they could serve established. Realizing that fire fighting in a heavy air raid would have to be done largely with untrained persons, the government prepared for every householder a pamphlet of elementary instructions on fire fighting in an air raid. It recommended clearance of all combustible material from under attic rafters, keeping of wet blankets handy and provision in every household of pails of sand to deal with incendiary bombs. Water might cause an explosion with loss of life.

Later, voluntary reserves of fire fighting forces were organized, the Auxiliary Fire Service, or A. F. S. Civilians were trained in elements of fire fighting and operation of fire fighting appliances. Appliances were increased all over the country, including small mobile pumps to be drawn behind automobiles or taxicabs. Ambulance services were organized.

#### Early Preparations in London

By December, 1939, an organization was created dividing London into nine regions, each with its group center in which fire fighting could be directed. In charge is a war room for central direction. Here on a map of London colored pegs indicate disposition at all times of fire fighting forces and this map is kept up to date with current events, even damaged buildings and destroyed areas being shown so that the value of the property at risk in any incipient conflagration may be accurately envisaged.

After only four months of war, there were 23,000 pumpers and 25,000 trained auxiliary firemen. That is as many men as there are in two infantry divisions. Manchester and Birmingham each has approximately 10,000 fire fighters between 25 and 50. Some of the new pumps handled 1000 gallons of water a minute at 100 pounds pressure and even trailers could take care of 500 gallons per minute. For London there were 4,000 additional miles of flexible hose and new water dams.

With possible fractures of water mains all over the city, it was obvious that additional emergency preparations had to be made to replace the water supply. In parks, squares and public places, dams were put up holding large quantities of water.

Special hose laying lorries were designed capable of laying portable canvas hose at 20 miles an hour, making possible temporary reservoirs in the streets charged from the River Thames and other sources. Thames water is always available for fire fighting. Owing to the friction in the pipes, special booster pumps are introduced every quarter of a mile. Frictional loss is about five pounds per square inch in every 100 feet of hose. Booster pumps can relay water at 1000 to 1400 gallons per minute. By means of these tanks ready supplies are always on hand.

After a year of warfare and before the first raids occurred there were 20,000

full time employes in the A. F. S. of London alone. Sixty peace time fire stations had been expanded to 320. Rescue squads with a total of 10,000 men were ready to deal with bombed buildings.

In September, 1940, after the big attacks began over fifty firemen were killed and 501 injured in London, but the organization proved its worth and capabilities. Further development has not altered the original organization. In October, 1940, the A. F. S. and the fire brigade were merged. The London Salvage Corps, property of the fire companies, has been merged with the London Fire Brigade. Two uniforms were provided in order to keep one dry under continuous attack. Power to enter buildings was extended to volunteer as well as regular firemen. London and Provincial firemen interchange to give Londoners a rest and Provincials further experience. In January, 1941, compulsory fire service was instituted for all between 16 and 60 if called. This was because of the experience in the big fire attack on London on December 31, 1940. Germans caught the city off guard. Fire watching forces were absent. Destruction, which many people think might have been prevented, took place. Since then it has been compulsory for every building owner to provide a fire watcher at all times. When the Germans tried a similar attack on Bristol January 17 no big conflagration ensued. There is some ground for believing that the British have the major problem of fire control solved.

#### Stirrup Pumps

Mr. Elwell commented on the efficacy of the stirrup pump, which resembles an early automobile pump with a base flange for the feet. In this case, the intake pipe is passed into a bucket of water and the output nozzle which splits the water into a very thin haze is directed at the fire. It is operated by a team of three and has proved itself of immense value in dealing with incendiary bombs. It quickens combustion so that the bomb burns itself out before it sets fire to surrounding objects.

#### Differences from Common Conflagration

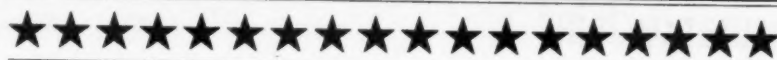
The problem in a fire raid by enemy aircraft is entirely different from a big fire in a congested area under non-war conditions. It is not a question of turning out all available equipment and covering unguarded fire stations by interchange of other equipment to deal with one fire, but checking what is likely to be a conflagration by controlling major fires. The A. F. S. deals with minor fires, holding them in check until the larger ones can be fought. There is another great difference. Normally fire fighting includes use of illuminants and searchlights. Not in the blackout where everything must be done in complete darkness. Raiding aircraft use fires as targets for high explosive bombs. In addition, there is shattered glass from explosions, the possibility of unseen bomb craters which may wreck fire trucks, and general confusion.

"No wonder fire fighting in war times needs skilled men and that London's firemen have been released from compulsory service in the army," Mr. Elwell concluded.

#### New Company in Delaware

At an organization meeting of Wilmington Fire of Wilmington, Del., J. B. Canning of Philadelphia was elected president. Cummins Speakman of Smyrna is vice-president and Everett Cummins of Smyrna is treasurer.

Wilmington Fire is already chartered but it has no certificate of operations, as money has not yet been paid in. It will have minimum of \$100,000 capital and \$50,000 surplus. John B. Canning is in the general insurance business in Philadelphia; Mr. Speakman is a well known Delaware insurance man, and Mr. Cummins is a local agent in Philadelphia.



## April Showers may bring flowers

We take a liberty with an old adage in order to emphasize an old, old truth, — that life is crowded with uncertainties.

The wise agent materially reduces the element of chance in business by his choice of company. Associated with a financially strong, responsible and progressive company, his business career is on a solid foundation.



## PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

HEAD OFFICE: 1600 Arch St., Philadelphia, Pa.  
Service Offices located in principal cities.

Complete Nation-wide Insurance Facilities for  
Agents and Brokers





# STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business April 8, 1941

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	4.50*	120	123
Aetna Fire ....	10	1.80*	51	53
Aetna Life ....	10	1.40*	27 1/2	29 1/4
Amer. Alliance ..	10	1.20*	22 1/2	24
Amer. Equitable ..	5	1.00	19	21
Amer. Home ....	10	...	5 1/2	7
Amer. (N. J.) ...	2.50	.60*	12 1/2	13 1/4
Amer. Surety ...	25	2.50	46 1/2	48 1/2
Automobile ....	10	1.40*	35	37
Balt. Amer. ....	2.50	.40*	7	8
Bankers & Ship. .	25	5.00	94	98
Boston ....100	21.00*	...	590	610
Camden Fire....	5	1.00	20 1/2	22
Carolina ....	10	1.35*	29	31
Contl. Cas. ....	5	1.50*	127 1/2	129
Contl. N. Y. ....	2.50	2.00*	38 1/2	40
Fidelity-Phen... .	2.50	2.00*	37	39
Fire Assn. ....	10	2.50*	65	67
Firemen's (N.J.)	5	.40	9	10
Franklin Fire.. .	5	1.40*	31	33
Gen. Reinsur... .	5	2.00	38	40
Georgia Home.. .	10	1.20*	23 1/4	25 1/4
Glens Falls....	5	1.60	43	45
Globe & Repub..	5	.50	10	11
Gt. Amer. Fire..	5	1.20*	25 1/2	27
Gt. Amer. Ind.. .	1	.20	10	11
Halifax ....	10	1.00**	10 3/4	12 1/4
Hanover Fire... .	10	1.20	24	25 1/2
Hartford Fire.. .	10	2.50*	84	87
Home Fire Sec. .	10	...	1 1/2	2 1/4
Home (N. Y.)... .	5	1.60*	31 3/4	33
Ins. Co. of N. A.	10	3.00*	71	73
Maryland Cas.. .	1	...	2 3/4	3 3/8
Mass. Bonding..	12.50	3.50	63	65
Mer. (N.Y.) Com.	5	2.00*	49	51
Natl. Cas. ....	10	1.00	24 1/2	26 1/2
Natl. Fire ....	10	2.00	57	60
Natl. Liberty... .	2	.40	7 1/4	8 1/4
Nat. Un. Fire... .	20	5.00*	145	152
New Amst. Cas. .	2	.77 1/2	17 1/2	18 1/2
New Hampshire	10	1.80*	45 1/4	47 1/4
Northern (N.Y.)	12.50	5.00*	98	101
North River....	2.50	1.00	23 1/2	25 1/2
Ohio Cas. ....	5	1.20*	36	38
Phoenix, Conn..	10	3.00*	82	85
Preferred Accl..	5	.80	15	16 1/2
Prov. Wash....	10	1.40*	34 1/2	36 1/2
St. Paul F. & M.	62.50	8.00	243 1/2	253
Security, Conn..	10	1.40	33 1/2	35 1/2
Sprgfd. F. & M.	25	4.75*	120	124
Standard Accl..	10	2.50	46	48
Travelers ....100	16.00	3.95	395	415
U. S. Fire.....	4	2.00	47	49
U. S. F. & G....	2	1.00	23	24

\*Includes extra. \*\*Canadian funds.  
†Old stock.

## Omaha Hail School Valuable

OMAHA—The two-day training school for hail adjusters held in Omaha was attended by 160 interested, experienced and novice hail adjusters.

John C. Eldredge of Iowa State College explained the part science and scientific farming plays in the hail business. A good hail adjuster must have an understanding of plant growth, what is beneficial to it, and what deters or destroys it, he said.

Eldredge has simulated, as nearly as possible, the effects of hail upon corn in various stages of its development and under varying conditions. Thus he has been able to develop a statistical picture of hail damage and charts which will serve as a guide in determining the damage done by hail and that by plant disease and insects.

### Must Understand Policy

Robert Glass, Omaha manager of Western Adjustment, said the hail contract is the platform upon which the assured meets the company, through the medium of the adjuster, and the strength of the platform is dependent largely upon the adjuster's knowledge and understanding of the policy.

There are few court decisions affecting the contract, and they tend to uphold rather than modify its provisions.

Several changes in the policy have been desirable through the light of experience. The warranty formerly stated "crop had not been previously damaged." It now reads "has not been previously hailed upon."

The hail policy differs from the fire policy in that the insured does not have the right to cancel although the company may do so by refund of premium or return of note.

The adjuster has the right to inspect the field as often as may be reasonably required, conduct examinations and expect full cooperation and assistance

from the insured in trying to arrive at an equitable adjustment.

Adjusters must be abundantly equipped with tact and diplomacy, they must have thorough knowledge of the contract.

During the two days, each step in the adjustment of a hail loss and probably the majority of the problems to be encountered were covered thoroughly by panel discussions during which questions were propounded and answers given.

Subscribe to **The Accident & Health Review**, \$2 per year. 175 W. Jackson Blvd., Chicago.

## Rally for Home Field Men from Ohio, Ind. and Ky.

CINCINNATI—Home will hold its regional meeting for Ohio, Indiana and Kentucky field men April 17-18 here. H. H. Chittenden, Ohio manager, will be host, and Ivan Escott, vice-president, New York, chairman. Others attending include F. H. Cornell secretary, manager farm department, and G. C. Cundiff, associate manager, Chicago; J. F. Feeney, manager Home Indemnity, Chicago; L. V. Grady, assistant secre-

tary Home Indemnity, New York; Felix Hargrett, assistant secretary, New York; L. F. Hawley, vice-president Newhouse & Sayre, Chicago; Oscar Meyer, marine department, New York; Jacob Nelson, assistant manager hail department, Chicago; Leonard Peterson, secretary, New York; T. K. Pfaffin and P. C. Van Deusen, managers service department, Chicago.

The Indiana delegation will be headed by A. E. Bulau, state agent, Indianapolis, and the Kentucky delegation by Marshall Mellor, state agent, Louisville.



## Good Teammates

Comes a time—and it's most of the time on a bob-run—when automatic teamwork is vital. Whether it's the driver or the brake or all four teammates leaning in unison on an almost vertical curve... the crew must work together to make the run safely—to win races.

Of course that's true in many things. It's particularly true in the insurance business... in the relation between agents and their companies.

The Agricultural and the Empire State have

always tried to be good teammates. We try never to waste your time with unnecessary details. We do our best in all activities to maintain the "Friendly Folks" nickname by which so many agents call us.

There'll come a time when you'll want another strong stock company... one that believes in—and is really a part of—the American Agency System. When that time comes, we hope you will call for one of us. May we send a fieldman to tell you our story—in advance?

**Agricultural**  
Insurance Company  
of Watertown, N.Y.



**Empire State**  
Insurance Company  
of Watertown, N.Y.

Photo By ODIE MONAHAN, Lake Placid, N. Y.

## Sabotage Claims Found Covered

### Thiemeyer Tells Illinois Underwriters Fire Policy Does Not Exclude These

Coverage against fire loss due to acts of foreign agents is provided in the standard fire policy even though the mandatory vandalism and malicious mischief endorsement be added, H. R. Thiemeyer of the North America told the Illinois Fire Underwriters Association in its quarterly meeting this week. He talked on "The War and Your Fire Insurance Policy."

Mr. Thiemeyer took the same position as did R. J. Folonie, Chicago insurance lawyer, recently that the mandatory endorsement endorses the extended coverage endorsement, and while it modifies the main body of the fire policy as to vandalism and malicious mischief does not do so as to fire. Therefore, the company cannot legally deny liability for acts of sabotage except if these occur in an invasion of this country or if no fire or explosion ensues, he said.

#### Agency Difficult to Prove

It would be extremely difficult to prove the loss was caused by an agent of a foreign power, he said, because sabotage is carried out in secret, with care there shall be no witnesses. If the company denies liability for such cause it has the burden of proof the loss was caused by a foreign agent.

Mr. Thiemeyer counseled selling fire insurance for protection rather than law suits, and especially urged selling the broad form of vandalism endorsement. He said the vandalism endorsement in the Canadian fire policy frankly states that it covers the acts of foreign agents, yet the rates are comparable to those in this country.

The intent of the mandatory endorsement, he said, is to exclude loss due to acts of a country with which the United States may be at war. The question bobs up as to what constitutes war in these modern times when invasion comes first and declaration of war may never occur. He said the word "war" does not appear at any place in the standard fire policy. War today probably means hostilities, whether declared or undeclared.

#### Many Risks Have "War" Element

If the standard fire policy were taken literally companies could deny liability on many risks in this country which do not involve actual participation in war as yet but only the manufacture or handling of munitions of war made for other countries. Many such risks exist because war is going on someplace else in the world, but these do not involve a real war risk.

He said fire set by sympathizers who are not specifically employed as agents of foreign powers represents a loss under the policy.

D. M. Vance, Royal-Liverpool group, association president, announced the annual meeting will be held at Lake Lawn hotel, Delavan Lake, Wis., June 19-20.

#### May Lean Toward Mutuals

There was an interesting report on insurance on USHA projects in Illinois rendered by the committee of which J. P. Fellows, special agent Fireman's Fund group, and C. F. Daniels, state agent Norwich Union, both of Chicago, were co-chairmen, which was read by Mr. Fellows. It appears stock insurance has been unable to place insurance on these housing projects in Illinois, all of the business going to the mutuals. One reason, the report set forth, is that final decision on the insurance rests with the local housing official, who has an obligation to keep down the costs on the proj-

## National Men's Club Dinner

Sidney T. Maxwell, executive vice-president of National Fire, and Charles C. Hewitt of Boit, Dalton & Church,



Boston agency, are here shown at the 30th annual banquet of the National Fire Men's Club near Hartford. Mr. Hewitt, a former vice-president of National, told a number of interesting stories of his experiences in the company. Mr. Maxwell told the group about the progress in the construction of the new home office building.

ect and feels he has a duty to approve the lowest bid for insurance.

However, there seems to be some pressure from Washington, a member commented, for in at least one case where a member of the local committee was a stock insurance agent and none but stock insurance bids were filed, the local housing official received instructions from Washington to secure bids from four specified mutuals.

It was the consensus there is little definitely that can be done to remedy the situation except to continue to present the benefits of stock insurance. A member noted that some mutuals belong to the Illinois Inspection Bureau and cited a case in which rates were published, he said, at the instigation of the mutuals, which then cut the published rates 25 percent or more. Another member stated the differential in quotations between stock and mutual companies on the housing projects insurance may run as much as 50 to 66 2/3 percent.

President Vance noted many members had been delinquent in making their reports under the balance rule and asked for cooperation in making regular reports of balances of various agencies as well as notifying of payments of accounts.

A serious situation at Alton, Ill., which may call for reinspection and even change of ranking by the National Board was noted by A. R. Marks, Great American. He reported the water supply there is bad, firemen barely being able to get water up to second floors. A large bowling alley burned there recently with a loss of about 19 alleys when, he said, it should have been limited to not more than one alley. A committee was named to take this up with the inspection bureau immediately.

Five new members were announced: E. K. Apple, special agent Home of New York; W. G. Brownson, special agent Great American; Arthur F. Corey, special agent Travelers Fire; C. F. Gritton, special agent Hartford, and Dean B. Snapp, special agent American of Newark.

Miss E. E. Edwards, secretary, rendered her report.

Recently announced candidates for the executive committee of the Illinois Fire Underwriters Association at the annual meeting in June are: R. J. Harmon, associate state agent of Home at Springfield, and Carl Morehardt, special agent of New York Underwriters at Belleville.

#### Franklin Fire Advances Kolb

Clifford E. Kolb has been appointed assistant general adjuster of Franklin Fire. Formerly he was manager of the loss department at Philadelphia. He has been with the Home organization 37 years, starting in 1904 as office boy in Philadelphia.

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## Gear Laboratories' Work to Defense

### Services Utilized as Never Before, Small Reports at Annual Meeting

Harold F. Duncan was elected treasurer of the Underwriters Laboratories at the annual meeting in Chicago, taking the place of L. B. Headen who retired at the end of the year. Mr. Duncan has been with the Laboratories since 1921 after serving in the war. He has been Mr. Headen's assistant and has been acting treasurer since the first of the year. During that brief period he has installed modern bookkeeping machines and the entire accounting department has been modernized. President Alvah R. Small presided at the meeting of members and trustees in the absence of John C. Harding, Springfield F. & M., chairman of the trustees.

Mr. Small reported that the services of the Laboratories were utilized last year at a scale exceeding any previous year. That is attributable in large part to the testing and inspection of products employed in the national defense program.

Hugh M. Robinson, service engineer, stated that the servicing and inspection of products known to be for national defense is given priority over other work. An example is the special lighting fixtures and electrical control equipment for explosive and loading plants, also explosion proof motors for driving airplane fuel pumps and retracting landing gears.

#### Photoelectric Protection

Priority is being given to inspection at factories of such materials as fire hose, fire extinguishers, fire resistive roofing, heating equipment, electrical devices and other construction materials for use in cantonments and camps. The use of photoelectric systems for protecting industrial plants against sabotage has also been considered.

R. B. Shepard, engineer of New York, stated that there was an increase of 15 percent in the number of products investigated for fire and shock hazards, in the electrical department. New types of electrical building wire and a great growth in fluorescent lighting fixtures accounted in part for the increase.

John A. Neale, chief engineer, stated that preliminary research has been completed to develop a method of classifying the fire hazard of building material as contrasted to the fire resistivity of such material.

Earl J. Smith, engineer, told of the increased volume of testing and of improvements in safeguarding acetylene equipment, liquefied petroleum gas systems, dry cleaning systems, hand fire extinguishers and oil burners.

A. H. Nuckolls described tests conducted by the chemical department on large flame arresters for use in munitions plants. He told of research on explosions in starch factories and stated that carbon monoxide poisoning has accounted for more fatalities in dust explosions than has been suspected. H. B. Michael stated that greater protection is provided by approved burglar and hold up alarm systems than ever before.

Trustees present were Sumner Ballard, president of International; G. H. Bell, western manager National; S. M. Buck, western manager Great American; John F. Gilliams, vice-president Camden; F. W. Koeckert, U. S. manager Commercial Union; W. E. Mallaieu, general manager National Board; A. F. Powrie, western manager Fire Association, and Paul B. Sommers, president American. Members of the corporation and guests were H. L. Grider, manager Western Factory, Benjamin Richards, manager Underwriters Service Association; H. M. Carmichael,

manager Oil Association; R. D. Hobbs, manager Western Actuarial Bureau; Walter D. Williams, retired president of Security of New Haven; Charles F. Thomas, manager Western Underwriters Association; F. W. Doremus, western manager American; C. H. Smith, western manager Hartford and president Western Factory and Ben H. Glover, retired plant engineer of Underwriters Laboratories.

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## Chicago Brokers Continue Negotiations with Board

The Insurance Brokers Association of Illinois is continuing its negotiations with committees representing companies and class 1 agents in the Chicago Board in the matter of representation of brokers on board committees.

An amicable solution to the brokers' efforts to secure two members on the board's executive committee and equal representation with class 1 members on important committees is expected by C.

M. Varde, chairman of the brokers committee; President Clarke Nolan and Vice-president A. T. Graham.

Negotiations have been going on for a long time, and will continue, according to brokers.

Brokers have no desire to disturb the present situation in Chicago, and want only equal, not controlling, representation, officials say. They point out that brokers produce 85 percent of the business in Illinois. An estimated 7,000 brokers in Chicago pay \$10 each in annual dues to the board, officials said.



## When too much is not enough

You will see this picture in the April 5 issue of *The Saturday Evening Post*. The absurdity of two umbrellas is fairly obvious, when you are getting drenched in between. They are used here to illustrate the possibility of too many insurance policies and not enough protection.

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## OBSERVATIONS

By C. M. CARTWRIGHT

The announcement of the death of D. W. Redfield, for many years assistant western manager of Pennsylvania Fire and later associate manager, put me in reminiscent mood with regard to its western department, which was first located in the Woman's Temple in Chicago, now 120 South LaSalle, next to the Ft. Dearborn Bank building, northeast corner of Monroe & Clark, and then in the Insurance Exchange building.

In the Ft. Dearborn building, Fireman's Fund was located, moving there from the New York Life building. John Marshall was manager in the new office, then W. A. Chapman and next S. M. Buck, it finally going to its present quarters in the Insurance Exchange. It should be said that the Ft. Dearborn Bank building was made a part of the present First National Bank building. In the Ft. Dearborn building also was the western department of Commercial Union with H. C. Eddy at its head, he being succeeded by Clarence E. Porter, who had been president of the Spring Garden.

The western branch had been in the Manhattan building on lower Dearborn street. It later moved to the Federal Reserve Bank building where Fred A. Rye was manager. Another department office in this building was Great American, first with W. H. Sage as manager, then Lerch & Ingram, composed of W. C. Lerch and John C. Ingram, who had been assistant managers. The next head was C. R. Street, who eventually moved its quarters to the Straus building. The original office was in the Rialto building back of the Board of Trade where Judge Eugene Cary held forth.

Another department in the Ft. Dearborn Bank building at 76 West Monroe was the North America, it having moved from Erie. W. N. Johnson was manager and Ben T. West, assistant. C. R. Tuttle became manager on Mr. Johnson's death.

## Charles H. Barry Manager

Pennsylvania Fire in the west was supervised jointly from Erie, Pa., with the North America, with J. F. Downing as manager. It decided to establish its own western office in Chicago and appointed Charles H. Barry, one of Mr. Downing's assistants, as manager. Mr. Barry was a native of Alton, Ill., his father, Amasa S. Barry, having been a prominent adjuster. He started in the business in an Alton agency. Then he was in the Chicago office of Niagara Fire. Later he became special agent for Phoenix of London and in 1884 state agent for North America and Pennsylvania Fire. In 1890 he became a member of the firm of J. F. Downing & Co., of Erie, and in 1894, in conjunction with John H. Davis, he became western manager of Pennsylvania Fire.

Mr. Barry resided in Evanston, Ill. He and his family were socially inclined. He at one time was president of the Evanston Country Club. Why it was named "Country Club" I do not know, for it is located in the heart of the city and is its leading social club. Mr. Barry was somewhat vain in manner, speech and appearance. I once heard one of his contemporaries refer to him as a "glorified human pigeon." He was outspoken and had a tendency to be alone in his procedure. He did not have for many years the esteem and confidence of his associates. At times they discounted his ability but my own opinion is that this was because they disliked his manner. This grew into a prejudice which later was gradually softened. Be that as it may, I always found him affable and gracious. I often sought him, and had him comment on the problems confronting fire insurance. He certainly did much thinking about his business but it now and then was not profound or based on substantial facts. He was free to express himself, was confidential in relationship with the

press, and we regarded him as an excellent contact.

I always felt Mr. Barry displayed a decided weakness in administering his own office and his lack of appreciation of the human relationships in his own organization. We often see a man in authority believing he must be severe. Mr. Barry was quick on the trigger and would crack down on employees with a sharp tongue. At times some would resent this treatment because they felt he was unfair and now and then one would go to another office for employment. His rebukes often were made in the hearing of other employees, a very grievous error and one that is most unjust.

I wondered at times whether Mr. Barry's manner and attitude as an employer were not artificial, due to a mistaken idea of maintaining his position, that is, he placed too much stress on C. H. Barry, manager and forgot C. H. Barry as a man. However, I was very fond of him, he was friendly, cordial and helpful. I think that I saw him as the man far more than as a manager.

But few men speak with affection about members of their family to those

who are not within the radius of their home hospitality; yet Mr. Barry did and that revealed something of his real self. He frequently mentioned his wife in tender terms. He was immensely proud of their daughter Lucille, who later married E. W. Coburn, the jeweler in the Wrigley building, Chicago. The daughter accompanied him frequently to Western Union meetings where, due to her social presence, animation and comely appearance, she was very popular.

As we look back, we can but appreciate the simplicity of thought so often revealed. For instance, Mr. Barry bought a house in Evanston that cost between \$20,000 and \$25,000. I heard his fellows on many occasions condemn him for this alleged extravagance and predict that he would collapse because he could not afford such an establishment.

## Bit of Wise Philosophy

Mr. Barry was offered a vice presidency of the Union Trust Co. of Chicago. His social intimate, W. Irving Osborne, who had really a palatial home in Evanston, was president and pressed Mr. Barry to take the position proffered him. Mr. Barry spoke to me about it and I have often recalled his conclusion in declining it since I believe it was most wise. He said that he had spent

his business life in fire insurance. He knew what he could accomplish in that endeavor. He enjoyed it and saw in it an opportunity to grow. He was not acquainted with the technique of banking or its internal structure. Hence he would make a leap from the known to the unknown. He might fail in banking even if he were offered more money, which was the case. He made this sage observation which has ever stuck in my memory: "When a man reaches 35 years of age and is well fixed in his business, as a rule he makes a huge mistake in undertaking something entirely new to him."

## John H. Davis as Associate

Soon after the western office was put in motion, the company sent John H. Davis from its Philadelphia headquarters to Chicago to be associate manager. He had been assistant secretary, as I recall it. I doubt very much whether Mr. Barry tried his harsh methods on him. It might have been hazardous, for Mr. Davis had the ear of the home office. At the same time, he did not allow Mr. Davis to become a factor. He surrounded him with details and kept him close to his desk. Other managers did not become acquainted with him. Mr. Davis, I am sure, did not relish his job and its environment. He was secretive and kept his own counsel but now and



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then innocently a remark would be made that mirrored his innermost thought. He did not move his family to Chicago. His only insurance intimate was R. J. O. Hunter of the general and local agency of Pellet & Hunter. One day Mr. Davis telephoned me, I at that time being insurance editor of the Chicago "Inter Ocean," asking that I meet him in the lobby of the Grand Pacific Hotel. There, in a secluded corner, he told me sotto voce that he had already shipped his personal effects to his home, he was quitting Chicago and was leaving that evening for Philadelphia. He had made no announcement at his office. He telephoned Mr. Hunter to read the insurance column of the "Inter Ocean" the next morning for "some news." He made a few suggestions about the story I would write and then invoked silence on my part.

#### Redfield Made Assistant Manager

After Mr. Davis' departure, D. W. Redfield, who was traveling for Pennsylvania Fire in Michigan and Wisconsin, was called to Chicago to be assistant manager. He had a well rounded field experience before he went with the company. He was very painstaking in his work, accurate and used good judgment. He was urbane and amiable. Mr. Redfield was the victim often of Mr. Barry's chastisement. He was submitted to humiliating interviews. Mr. Redfield kept silent, although burning with indignation. He simply "took it." Yet I know Mr. Barry held him in high esteem and admired his underwriting methods, for he so expressed himself to me on numerous occasions. But Mr. Barry would not voice such sentiments to Mr. Redfield.

#### UNION-W. I. B. PARLEYS

It was in his subsequent Chicago career that Mr. Barry began to show his mettle, his sagacity and knowledge of the business. He began to be recognized in the activities of the Western Union and played a prominent part in its proceedings. His associates sought his counsel. The western office had moved to the Ft. Dearborn building. At that time, the Western Union and Western Insurance Bureau formed their famous conference agreement and in the negotiations and afterwards in the joint conferences, Mr. Barry played a conspicuous part. W. S. Warren, manager Liverpool & London & Globe, was chairman of the joint conference committee from the Western Union side. Walter Sage, Great American, was governing committee chairman. Mr. Barry was a member of both committees. It was often said that Mr. Warren wore a path from the Home building, where the Field building now stands, to the Ft. Dearborn building to confer with Messrs. Sage and Barry. They constituted an eminent trio in those important days.

#### Barry to Home Office

Mr. Barry had not only grown in stature in the west among the leaders but he had the confidence of his home office. He had been tested and tried. Col. R. Dale Benson was the president of Pennsylvania Fire. Both he and the directors decided Mr. Barry was presidential material. He accepted the proposition. It so happens I have a very vivid recollection of the time the announcement was to be made in 1916. Mr. Barry had confided to me the negotiations that were on. We decided when the announcement was to be made. I was to write the story for THE NATIONAL UNDERWRITER. On the day I was to see him to get the facts, I was hurried to the Evanston Hospital for a blood transfusion as I had had hemorrhages, very similar to the attack I suffered the first week of December last in New York. I was critically ill but I recalled the appointment I had with Mr. Barry. I proposed that he come to the hospital, I would get the facts and dictate the story to a stenographer. My doctors, for at that time there were two on my

case, very deftly brought about a compromise. My wife was to explain to Mr. Barry my condition and she was to arrange for my esteemed associate, W. S. Crawford, now insurance editor of the New York "Journal of Commerce," to write the article. He did so in a most finished way which greatly commended itself to Mr. Barry.

#### Redfield at the Helm

To reveal again Mr. Barry's genuine feeling of the heart, notwithstanding his biting criticism of Mr. Redfield, he created a western managerial firm with Mr. Redfield as senior partner and Geo. H. Batchelder as the other. It is true that Mr. Barry was not willing to have Mr. Redfield as sole manager, recognizing his limitations. In fact, he did not have the opportunity to develop because of the dominance of the manager. Mr. Batchelder was more forceful and wider in his view. Thus was brought into being another western managerial firm wherein in course of time one would become the spokesman and really this one recognized as having final authority.

In 1921, Pennsylvania Fire was purchased by North British & Mercantile and the western department was moved to New York. Mr. Barry remained in Philadelphia until the contract was signed and plans for the future made.

Then he decided to return to Chicago and resume his residence in Evanston.

I have two very precious letters in my possession. Mr. Barry wrote me in long hand a letter just before he closed his desk on Saturday, the day before he was to leave for Chicago. He stated that it would be his last letter before he left for what he termed "God's country." He spoke of his possible future. He told me he would call to see me the following Tuesday. It was a poignant epistle, the expression, no doubt, of a broken heart, a bitter business disappointment. I had just finished reading Mr. Barry's letter that Monday morning when Mr. Redfield summoned me to his office, showing me a telegram announcing Mr. Barry's sudden death. He had surely departed for "God's country."

The second letter was from John H. Carr, who was at Aiken, S. C., endeavoring to restore his health. He was another western partner, in Dugan & Carr, western managers Hartford Fire. John Carr, stern, gruff, harsh in speech, had, after all, a warm heart. I had written him a letter of good cheer and good wishes, relating some of the interesting insurance gossip. On a Monday morning I was called up by the Hartford Fire office, telling me Mr. Carr had gone beyond the hills. Later in the day his letter to me arrived, a beautiful

expression of sentiment, and as I learned afterward, his last one written.

Looking back again to the Pennsylvania's western office, it was one of the first departments I visited after being shifted from the city room of the "Inter Ocean" to reporting insurance news. As examiners were Hart Darlington, now U. S. manager of Norwich Union Fire; W. H. A. Munns, now a prominent local agent at Syracuse, N. Y., active in the New York State Association of Local Agents and chairman of its committee on the proposed revised standard policy being considered by the New York legislature, he being a member of the local agency of Raleigh & Munns; Lloyd S. Wallace, later Wisconsin special agent of Pennsylvania and now Wisconsin state agent of Niagara Fire and W. H. Unger, who was sent to the Minnesota field and later became state agent Royal and Newark.

At that time many western departments had an all-star field cast. There were fewer men traveling and many were leaders in their territory. Loui A. Lent traveled for Pennsylvania in Ohio and later in Indiana and eventually became a member of the Cincinnati agency firm of Neare, Gibbs & Co; J. K. Livingston had charge of Michigan and Wisconsin, later restricting his activities

(CONTINUED ON PAGE 19)

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## NEWS OF FIELD MEN

### Moriarty, 50-Year Man, Retires; Nolen Now Detroit Head

P. J. Moriarty, after 50 years in the insurance business, is retiring April 30 as manager of the Detroit metropolitan department of North British & Mercantile. He will be succeeded by W.



P. J. MORIARTY

L. Nolen, formerly assistant manager. E. F. Cunningham continues as assistant manager.

"Pat" Moriarty has been a landmark in Michigan insurance circles for many years. There is no fire insurance man in the state better known.

Mr. Nolen has been in the business since 1924, starting in the Memphis branch of the Tennessee Inspection Bureau. He served in the analytic schedule rating and sprinklered risk department until 1928 when he joined North British as an inspector for Michigan.



W. L. NOLEN

He also later acted as inspector for Tennessee and Oklahoma.

In 1929 Mr. Nolen became special agent for western Tennessee and the next year was appointed Tennessee state agent. Last November he was transferred to Detroit as assistant manager. During 1940, he was vice-president of the Tennessee Fire Prevention Association and most loyal gander of the Tennessee Blue Goose.

Mr. Moriarty entered the business in 1891 in the Chicago office of Palatine. When Commercial Union obtained control of Palatine, that office was closed and Mr. Moriarty went with the west-

ern department of Liverpool & London & Globe. In 1902 he joined North British as examiner in Chicago and thus has been with North British almost 39 years.

When the western department of North British was closed in 1910, Mr. Moriarty was appointed special agent in Michigan and Ohio for Commonwealth. In 1916 he was appointed state agent for North British & Mercantile in Michigan. In 1921 the Detroit service office was established and he was appointed manager. He also was vice-president of Inter-State Fire, which was associated with Commonwealth.

Mr. Moriarty at one time was vice-president of the Fire Underwriters Association of the Northwest and is a life member of that organization. He served for two terms as president of the Michigan Fire Underwriters Association.

A brother, M. E. Moriarty, is Chicago city manager of Great American.

### Stephens Retires; in Field 38 Years

Harry T. Stephens, Kansas state agent of the North America, was given a dinner at Topeka on his retirement from active service after 32 years with that company. O. A. Ramseyer, state agent of North America in Kansas City, was toastmaster. Thirty-two attended, including both field men and local agents. W. J. Mitchell of the marine department in St. Louis was official representative of the company and extended greetings and good wishes from its officers to Mr. Stephens. R. B. Lathan, state agent at Wichita, presented to Mr. Stephens gold inscribed watch from the Kansas field force, including Mr. Lathan, Mr. Ramseyer, V. B. Steenrod and M. E. Butler.



H. T. STEPHENS

Mr. Stephens started traveling 38 years ago and first worked for the Oklahoma & Indian Territory Inspection Bureau, later joining the Kansas Inspection Bureau. He traveled Missouri and Kansas at first and later was appointed Kansas state agent, succeeding Wilber Perry. He has been very active in the Kansas field and is past president of the Kansas Fire Underwriters Association and Kansas Fire Prevention Association and past most loyal gander of the Kansas Blue Goose. Several of the older field men in Kansas that had traveled many years with him were guests at the dinner. A few of their agents also attended.

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### Ohio Underwriters Hold Forum on Reporting Forms

COLUMBUS, O.—A forum on the reporting form was held at a meeting of the Ohio Fire Underwriters Association, Cincinnati supplying all the talent. C. N. Mullican, Jr., North America, was chairman, and the experts included L. W. Bayes, New York Underwriters; G. J. Burrer, Travelers; H. M. Hammer, Fidelity & Guaranty Fire, and C. H. Garbett, America Fore.

It was voted to reconsider the action in selecting White Sulphur Springs for the mid-summer meeting in July. The entertainment committee will report suggestions for a new location. Honorary memberships were conferred on G. H. Thomas, Aetna Fire, and E. F. Carnes, New Hampshire, who have retired. New members are F. E. Hill,

National of Hartford, and P. B. Molloy, Phoenix of England.

The Ohio department has prepared a new set of agents' examination questions and answers which are in the hands of printers, H. R. Underwood, Providence Washington, secretary, reported. There are about the same number of questions as previously, with some new questions and others reworded.

C. D. Lamb, Automobile, reported for the public relations committee there has been a heavy demand for speakers. He urged members to take part in the association's speaking program. P. F. Brown, Hanover, gave the forms committee report. A memorial resolution was presented for E. W. Kobman, late assistant secretary Rhode Island, who formerly was in the Ohio field.

### H. S. Cobb Enters Field Work for Fire Association

Henry S. Cobb, who has been connected with the western department of Fire Association about 10 years, has now been assigned to work in the field. Temporarily he is traveling in Illinois with headquarters in Chicago but he may be transferred to another territory. Mr. Cobb graduated from the Northwestern University fire insurance course in 1931 and then went with Fire Association. He gained experience in underwriting and at other desks and lately has been supervising the brokerage department.

### Hill Succeeds Carnes in Ohio for New Hampshire

Due to illness, State Agent Elmer F. Carnes, Ohio state agent of New Hampshire Fire, has requested to be placed on the reserve list. Mr. Carnes has supervised the state for New Hampshire and Granite State for a long period and has been one of the strong men in the organization.

Mr. Carnes will be succeeded by Frederick E. Hill as state agent in southern and western Ohio. Mr. Hill was recently transferred from West Virginia. His headquarters are at 50 East Broad street, Columbus.

Northern Ohio will remain under the supervision of State Agent H. J. Kirkham of Akron.

### California Pond Golfs in Rain

LOS ANGELES — The California Blue Goose golf tournament at the annual stag party was ruined for the second time by a downpour of rain at Brentwood Country Club. A few hardy souls finished the round, and Lee White, R. L. Eby & Co., won the trophy for low net score. A dinner and floor show were held. Members of the San Diego puddle participated. The San Diego puddle plans to hold an installation of officers next month.

California pond is preparing for the May meeting, which will be the annual joint session with the San Francisco pond and the Fresno puddle.

### R. C. Coryell to Indianapolis

American has transferred Special Agent Richard C. Coryell from Detroit to Indianapolis, where he will assist State Agent George R. Pritchett in the supervision of central and southern Indiana. Mr. Coryell is a native of Indiana, and returns with increased experience to carry on similar duties in his new field. He will be located at 902 Chamber of Commerce building, with Mr. Pritchett.

### Utah Field Men Pursue Studies

A group of 15 Utah field men have arranged to pursue their public speaking studies in the interest of becoming more effective in public relations work. They decided to continue taking a public speaking course from April 4 to July 3 at the University of Utah under the direction of Dr. L. C. Bain. They were encouraged to do so by H. W. Semmel-

## Second Hat in Ring



CHARLES L. BEALE

A contest for grand keeper of the Blue Goose has developed, backers of Charles L. Beale, most loyal gander of the Texas pond, having thrown his hat in the ring alongside that of Col. Julius V. Bowman, Fire Association, Louisville, who is being sponsored by the Kentucky Blue Goose.

Mr. Beale, who is Texas state agent for the Yorkshire group, has headquarters in Dallas. The Alamo, South Texas and Texas ponds are backing Mr. Beale, who is a charter member of the Alamo pond.

After his honorable discharge from the United States naval aviation service, Mr. Beale became connected with the Federal Reserve Bank in Dallas. Later he entered the insurance business and in 1926 became associated with Yorkshire. He is well respected in the business. He is active in church work, sports and he is an excellent extemporaneous speaker.

meyer, public relations manager of the Pacific Board, who had a conference with the group.

Ted Ford, Hartford Fire, chairman of the educational committee, had charge of the gathering. Roy Donaldson, St. Paul F. & M., is public speaking chairman. Robert Salmon, Commercial Union, and Marcus Jackson, Great American, gave short talks.

### Colorado Blue Goose Dinner

DENVER—At a dinner meeting of the Colorado Blue Goose, G. W. Goll, of the First Bancredit Corporation, Kansas City, spoke on premium financing. R. B. Wallace, National Fire, delegate of the Colorado pond to the Pacific Coast Conference, reported on that meeting.

### Indiamans Pick Lake Wawasee

The annual meeting of the Indiana Fire Underwriters Association will be held at the Spink-Wawasee Hotel, Lake Wawasee, Ind., July 1-2. R. C. Walker, Liverpool & London & Globe, president, says the meeting has been pushed over into July to give the members the opportunity to get their mid-year balances out of the way. George R. Pritchett, American, is chairman of the committee on arrangements. A special speaker for the meeting will be announced soon.

A luncheon meeting will be held in Indianapolis, May 19, with Don C. Campbell, manager credit department America Fore, Chicago, as the speaker. Mr. Campbell will discuss the closer relation that is being developed between credit men and insurance company representatives.

The Indiana Blue Goose will hold a business meeting and initiation April



28 in Indianapolis. J. W. Besterman, Employers Fire, is most loyal gander.

### Slate Many Town Inspections

The Minnesota Fire Prevention Association is conducting inspections of Springfield and Sleepy Eye Thursday of this week.

Pierre and Fort Pierre, S. D., will be inspected April 15-16. R. E. Vernor, Western Actuarial Bureau, will address a public meeting.

The Indiana association will inspect Mishawaka Thursday. The following day South Bend will be inspected. Harry K. Rogers will speak both evenings. Spiceland will be inspected April 25.

An inspection of Carlinville, Ill., is slated for April 16. J. Burr Taylor, of Western Actuarial Bureau, will be the speaker.

Lansing will be inspected April 24-25 by the Michigan association. Both Richard E. Vernor and H. K. Rogers will speak.

The Kentucky association inspected Bardstown.

Johnson City, Tenn., will be inspected May 7-8.

### Miller Named in Louisiana

The St. Paul Fire & Marine has appointed J. E. Miller special agent under State Agent James L. DeTreville at New Orleans. He will assist Mr. DeTreville in all lines. Mr. Miller recently completed an intensive course on insurance subjects at the home office, where he has served the past five years. He also has completed a course in law.

### Ky. Meetings at Mammoth Cave

The Kentucky Fire Underwriters Association and Kentucky Blue Goose will hold their annual meetings at Mammoth Cave, Ky., June 10-12. The Kentucky Fire Prevention Association will hold its semi-annual meeting and outing at the same time.

### Mills with North British in Mo.

Charles M. Mills, for the past five years with Western Adjustment, has been appointed special agent in Missouri for North British & Mercantile, working with State Agent W. B. Winchell, with headquarters at 301 West 11th Street, Kansas City. His insurance career began in the local agency of his father in Clinton, Mo., in 1934.

### Travelers Fire Appoints Two

P. J. Dubey, Jr., of Hartford has been appointed fire survey engineer with headquarters in Cleveland under Manager C. R. Draper of Travelers Fire. Mr. Dubey joined Travelers in 1927 and has since been engaged in various positions in the eastern department. Since 1937, he has been attached to the fire engineering department.

Arthur T. Pravden of South Bend, Ind., has been appointed special agent

for Travelers Fire with headquarters in South Bend, Ind. He was formerly with the Indiana Inspection Bureau at South Bend.

### Plan Intermountain Meetings

SALT LAKE CITY—The Intermountain Field Club, covering Utah and southern Idaho, met here to discuss plans for an educational campaign. Meetings are scheduled for this city, Ogden, Provo and Logan, Utah; Pocatello, Idaho Falls, Twin Falls and Boise, Idaho.

W. J. H. Montgomery, Home, is now president, succeeding R. L. Salmon, Commercial Union. E. G. Eldredge, general agent, is vice-president; V. H. Norton, general agent, secretary-treasurer.

### Monsen, Tookey in Dakotas

Howard Monsen, special agent of Fireman's Fund, hereafter will supervise the North Dakota field and L. E. Tookey special agent, will travel the South Dakota field, succeeding Don Brown, special agent, who resigned April 1. Mr. Monsen will operate from his present headquarters, 915 Plymouth building, Minneapolis, and Mr. Tookey will continue headquarters at 1044 Omaha National Bank building, Omaha. Each will be in full charge of fire, automobile and marine production.

### Fletcher with National Union

Fred Fletcher, who has had several years experience in a local agency, has joined National Union in the Nebraska field. He will assist State Agent C. A. Jeffrey, with headquarters in the Insurance building, Omaha. He replaces Howard H. Jelinek, who recently went with New Hampshire Fire.

### DeVoe Named in Los Angeles

Jay J. DeVoe has been appointed special agent in the Los Angeles office of the Great American group. He has had a long training and experience in southern California.

### To Award Life Memberships

The San Francisco Blue Goose will celebrate its 20th anniversary by awarding about 16 life memberships April 28. The actual anniversary was last October and at that time the pond decided to set up a life membership program.

C. L. Barsotti, Pacific Coast manager of Fire Association and first most loyal gander of the pond, will officiate. The glee club of the pond will render several selections.

This week A. E. Roth, president San Francisco Employers Council, discussed labor relations in 1941. B. G. Wills, vice-president Fireman's Fund Indemnity, presided.

### Voss South Dakota Speaker

The South Dakota Fire Underwriters Association held its regular meeting in Huron, S. D. There were 12 field men in attendance and Huron local agents also were invited to attend. R. D. Voss, Stock Company Association, Omaha, explained how it handles HOLC insurance.

### Seattle Blue Goose Active

SEATTLE—Dr. W. W. Bird of the University of Washington's speech department spoke at a dinner meeting of the Seattle Blue Goose on the rise and development of radio as a force in dissemination of propaganda. Preceding dinner, there was a social hour at which pond members whose birthdays were in March were hosts.

E. W. Trenbath, Norwich Union, reported on the Pacific Coast Conference of the Blue Goose at San Francisco, at which he and A. M. Lindholm, Washington Surveying & Rating Bureau, were delegates. It was announced that the newly-formed ladies' auxiliary is sponsoring its first social event April 26.

A life membership in the Seattle pond and the grand nest was presented to

Frank L. Emerick, retired Fireman's Fund field man. The next evening meeting will be held April 28. It was decided to invite the British Columbia pond to send a golf team to Seattle to compete in a tournament as guests of the Seattle pond. In past years two ponds have played a home-and-home series for possession of the A. Z. DeLong Trophy. However, due to wartime restrictions, that match is not scheduled this year.

### Benson Named in Nebraska

Jesse Benson, who has been with the J. A. Isaman agency at Aurora, Neb., has been appointed Nebraska special agent of Northwestern Fire & Marine, Twin City Fire and Citizens, with headquarters at 922 Terminal building, Lincoln. He succeeds Norman D. Graves.

### Purdy to Mountain Field

J. W. Purdy has been assigned to the Denver office of the North America group as special agent. He was formerly in the underwriting department at the home office in Philadelphia.

### Field Club Host to Agents

DENVER—The Mountain Field Club was host to the Denver Association of

Insurance Agents at a luncheon meeting. The Underwriters Laboratories movie was shown.

About 20 members of the Blue Goose residing in Fargo, N. D., attended a luncheon there. Rev. Fred Ihlenfeld of Fargo was the speaker.

### Start Repayment in State Phase of Missouri Case

JEFFERSON CITY, MO.—The Missouri department has begun distribution of \$1,615,000 in 600,000 checks to the policyholders of fire companies affected by the state court phase of the 16½ percent rate case.

The state supreme court several months ago held that the policyholders were entitled to all of the impounded premiums, eliminating attorneys fees and other expenses the Cole county circuit court attempted to pay out of the funds.

Distribution will be completed in 90 days, it is estimated. The \$8,000,000 involved in the federal court case at Kansas City has been ordered returned to policyholders, but companies have filed a motion for a rehearing.

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**INSURANCE COMPANY**

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To become fire insurance inspectors. Men with underwriting experience or technical graduates. By a mid-western office. Must be young, of sound health and morals and active intellect. Write, stating age and major facts, in your own handwriting. Address N-12, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

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Is your office in such a state over the loss of men going into service? If so, I am the man you want. Employed at present as head examiner in a large company's territorial department. Well qualified to organize and train men in the fire insurance business. Under 40 and in vigorous health. Permanent only. Address N-15, The National Underwriter, 175 W. Jackson Blvd., Chicago.

### WANTED

By one of the leading Insurance Agencies of Southwestern Michigan a Solicitor for Fire, Marine and Casualty insurance. Give age and experience in first communication. Address M-97, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

## AS SEEN FROM CHICAGO

### EN ROUTE TO OAKLAND, CAL.

The foregatherers of the National Association of Insurance Agents holding its mid-year meeting at Oakland, Cal., the week of April 21 are already on the wing. Mr. and Mrs. Payne H. Midyette of Tallahassee, Fla., were in Chicago this week en route to the convention, Mr. Midyette, a local agent at Tallahassee, Fla., being president.

Allan I. Wolff of Chicago, former president; R. W. Forshay of Anita, Ia., vice-president National association, and Sidney O. Smith of Gainesville, Ga., chairman executive committee, will meet at Denver arriving there early next week and then will go to Salt Lake City to come in contact with Fred L. Moreton, member of the executive committee. Mr. Smith will visit his daughter in Denver, she having been recently married and is now residing there. Assistant Secretary J. B. Miller of the National association has already gone to Oakland to make arrangements for the meeting. Secretary W. H. Bennett and other members of the executive staff will leave early next week.

### SELL 14,000 FIREMEN'S SHARES

A block of 14,000 shares of Firemen's of Newark has been offered during the past few weeks by F. S. Moseley & Co. of Chicago. It is being sold at 9%.

### W. I. B. TO MEET AT HOT SPRINGS

The annual meeting of the Western Insurance Bureau has been set for June 4-6 at the Homestead, Hot Springs, Va. The annual meeting of the Western Sprinkled Risk Association will be held at the same place, June 5. Ordinarily, the W. I. B. meeting is held in May, but the date was set ahead so as not to conflict with the big National Board 75th anniversary celebration.

### REMODEL TRAVELERS' QUARTERS

Travelers has temporarily evacuated its Chicago office, 331 Insurance Exchange, while the quarters are being revamped. For the next several months, most of the departments will be located on the sixth floor of the building annex. At the completion of the remodeling, Travelers will occupy all of the third floor and half of the fourth floor of the building proper, switching those offices formerly on the third floor of the annex onto the fourth floor.

A feature of the new arrangement will be the elimination of public corridors, so that the elevators will open directly

into the office. There will be no counters and the underwriters will transact their business at private desks. The solid walls dividing the private offices will be torn down and replaced with light partitions of wood and glass. The employment of ceiling deadening, indirect lighting, venetian blinds, and a number of other modern features will greatly change the appearance of the space that Travelers has occupied in the past 30 years.

### STROUCE FORMS NEW AGENCY

Fred W. Stroupe, who recently disposed of his interest in the Harrison-Brewster agency, which he organized in 1933, has opened a new agency, Fred W. Stroupe, insurance service, at 120 South La Salle street, Chicago.

The Class 1 agency is representing Paul Revere, First American, Globe & Rutgers and Continental; American Casualty, Bituminous Casualty and Hawkeye Casualty. Mr. Stroupe is exclusive Cook County general agent for the Hawkeye.

Associated with Mr. Stroupe in the agency is Harry T. Johnson, who was with Harrison-Brewster two years. Before that Mr. Johnson was a member of the Wiley, Magill & Johnson agency. He was for many years Illinois state agent of Globe & Rutgers. He is a brother of Samuel T. Johnson, Cook County manager for Globe & Rutgers.

Under Mr. Stroupe, the Harrison-Brewster agency in four years developed a production of \$1,000,000 a year. He has been in insurance in Chicago 14 years.

### ELIEL & LOEB NEW LIFE SETUP

Eliel & Loeb, Chicago general insurance agency, has been appointed as representative of Great-West Life.

Eliel & Loeb Company maintains a life department with James K. LaVallee as manager. Mr. LaVallee has an excellent life insurance background and is well qualified.

The Great-West business will be handled through the Chicago branch office. Earl M. Schwemm is manager.

### BIG WATER DAMAGE LOSS

Insurance loss is estimated at about \$90,000 as a result of a freak water damage aftermath to a fire of negligible proportions in an old five-story building at 301-303 West Monroe street, Chicago, the other day. The fire apparently had been smoldering between the joists of

the first and second floors for some time during the night, without knocking off a sprinkler head. Finally, when one of the heads was fused, an alarm was set off.

The fire department in order to build up pressure within the sprinkler system hooked into the Siamese connection outside of the building. The initial pressure was either excessive or there was a defect in the sprinkler system, because one of the pipes on the fifth floor, which was vacant, broke. The fact that a break had occurred was not discovered for some time and until it was discovered pumping operations continued and an enormous amount of water poured through the building.

The fire damage was negligible, but the building itself suffered heavy damage from the soaking and there was extensive damage to the various occupants. The building owners carried no fire insurance. They did have sprinkler leakage insurance but there is no liability under this policy because fire was the proximate cause of the damage. The occupants that suffered water damage who will collect under their fire insurance policies an estimated total of about \$90,000 are: Reliable Stationery Co., fourth floor; Liederman Manufacturing Company, third floor; Reliable Typewriter Company, second floor; Gold Shoe Company and Western Carpet & Floor Covering Co. on the first floor. The latter had a U. & O. policy and there will be a loss under this contract.

### MAGINNIS IN CHICAGO

R. E. Maginnis, insurance contact man for the American District Telegraph Company in New York, is visiting Chicago for several weeks. He was formerly located there with the A. D. T.

### WANT REFUND FOR DRAFTEES

The Insurance Brokers Association of Illinois has passed a resolution favoring pro rata payment of safe driver's reward to men called into service who have to dispose of their motor cars. There is, of course, a pro rata return of the premium in such cases.

### BEACH DISTAFF SPEAKER

Lyle L. Beach, assistant counsel of Continental Casualty, will address the meeting of the Insurance Distaff Executives Association of Chicago at a dinner meeting April 17. The annual meeting will be May 15 and the last meeting of the season June 19.

Francis R. Blossom, vice-president of Fred S. James & Co., Chicago, has returned from Pasadena, Cal., where he visited his father, George W. Blossom, Sr., chairman of the board.

### Will Meet at Opposite Ends of the Hotel

How will oil and water mix at the Greenbrier Hotel, White Sulphur Springs, W. Va., when the Western Underwriters Association holds its annual meeting there April 22-23, and the American Mutual Alliance holds its meeting there, April 23-26? In other words, there will be one day when both the stock and mutual people will be in the same hotel and play golf on the same course. Both meetings are important for the two organizations.

### Experts Argue Fine Points at Chicago Insurance Club

The pitting against one another of experts in lines which overlap and compete with each other made the dinner meeting Tuesday of the Insurance Club of Chicago a lively affair. These experts included H. R. Thiemeyer, service department, North America, fire and allied lines; H. E. Mankin, Hartford Fire, marine; R. F. Munsell, Ocean Accident, fidelity and surety; J. E. Murphy, Royal Indemnity, boiler and machinery; Walter Bremer, Hartford Accident, liability; P. J. Girard, Hartford Accident, burglary. J. C. O'Connor, "F. C. & S. Bulletins," served as umpire and fired the questions.

Mr. Thiemeyer and Mr. Mankin exchanged words on the relative merits of marine and fire, out of which grew an admission by Mr. Thiemeyer that in marine the underwriter has fewer rules to follow than in fire and has a distinct advantage in latitude.

Chairman O'Connor then asked Mr. Murphy what the insured could get under boiler coverage that he could not get under fire extended coverage. Mr. Murphy gave personal injury, third party property damage, and inspection service as an answer. Mr. Thiemeyer, admitting that there is need for clarification of fire extended coverage as regards boilers, said that many fire companies are now offering excellent boiler inspection service.

It was charged from the floor that the "premises rented or occupied" clause included in the money cover provisions of the inland marine personal property floater is ambiguous. Mr. Mankin testified that "premises rented or occupied" means any inside premise, other than a public spot such as a street car or movie theater, and includes houses and office buildings. P. J. Girard, while allowing that the inland marine inside cover is broader, said the theft and robbery provisions of burglary insurance afford much more complete outside coverage.

### Foreign Company Deposit Bill in Ia.

The Iowa senate has passed a bill recommended by Commissioner Fischer to require fire and casualty companies of foreign countries to deposit with the department sums equivalent to the premium reserves on Iowa policies with a minimum of \$25,000. Thus the deposited securities would be forfeited to Iowa policyholders in the event of insolvency. The commissioner at his discretion would be permitted to allow withdrawal of interest earnings.

### New York City Agents Meet

NEW YORK—At the quarterly meeting of the Association of Local Agents of the City of New York Tuesday evening, branch offices, commissions to agents and participating policies by stock fire companies were discussed.

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## High Officers of General Agents Association



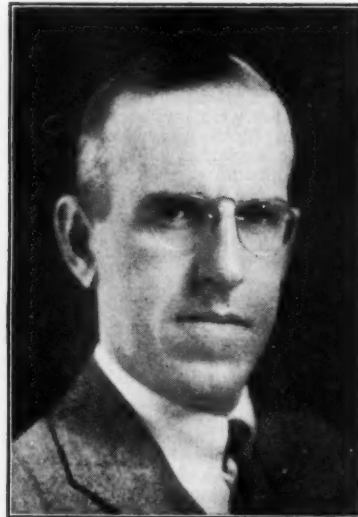
GEORGE E. EDMONDSON

George E. Edmondson, Tampa, was elected president of the American Association of Insurance General Agents



S. LEWIS JOHNSON

at the annual meeting at Hollywood, Fla. S. Lewis Johnson of Charleston, S. C., is chairman of the executive



LANGDON C. QUIN

committee. Langdon C. Quin of Hurt & Quin, Atlanta, served as chairman of the nominating committee.



## NEW YORK

### NAME CULLEN, PHILLIPS, KENNEDY

Vincent Cullen, president of National Surety; Jesse S. Phillips, chairman of Great American Indemnity, and L. S. Kennedy, vice-president Marsh & McLennan, have been appointed chairmen of committees for the 1941 campaign of the Greater New York Fund. Mr. Cullen is chairman of the casualty and surety committee, Mr. Phillips, fire and marine, and Mr. Kennedy, insurance brokers.

### BROKERS TO HEAR FORMER CONSUL

Gerald Shepherd, formerly British consul general in Danzig and in Amsterdam, will give an address on "My Last Five Days in the Netherlands" at the annual luncheon meeting of the Insurance Brokers Association of New York, April 22. He will be introduced by Harold Warner, U. S. manager of Royal-Liverpool. The association will present to Mr. Warner for the British War Relief Society money for mobile feeding units.

### BURKE AT WHITE PLAINS POST

Frank J. Burke, newly appointed special agent in Westchester County, New York, for the Phoenix-London group, is located at 175 Main Street, White Plains, where a service office is maintained under the supervision of the metropolitan department. Mr. Burke has been connected with Phoenix since 1927, having charge of its underwriting in the New York suburban territory much of the time.

### ROYAL-LIVERPOOL FIVE TOPS L.&L.

The British War Relief Society will benefit by about \$2,300, the proceeds of a double-header basketball program, sponsored by the Royal-Liverpool groups.

In the first game of the twin-bill found the team of the Equitable Society defeated the Metropolitan Life quintet, 42-40.

The Royal-Liverpool groups team, champions of the New York Insurance Basketball League, made it four straight over the London & Lancashire five when it topped the Hartford team 45-36 in the finale. The losers are defending title holders of the Hartford Insurance League. Last season the Royal-Liverpool team won 35-21 at Hartford and 34-32 in the return match in New York.

Harold Warner, United States manager, and other executives of the Royal-Liverpool groups were hosts at a dinner to the London & Lancashire executives: Gilbert Kingan, United States manager; C. A. Tillotson, agency superintendent; W. W. Smith, vice-president; John Urmsen, secretary; H. K. Green, metropolitan manager, and J. T. Goeller, local secretary. Mr. Kingan's son, Gilbert, Jr., a student at Princeton, also attended the dinner.

Following the games, Mr. Warner was host at a buffet supper to the members of the participating teams and company executives.

### TO N. Y. FOR CHICAGO JOURNAL

Carl Pearson, who has been in the insurance department of the Chicago "Journal of Commerce" for the past year and a half, has been transferred to New York in charge of its insurance editorial office. He succeeds Edward Beckman, who has joined the J. Walter Thompson advertising agency. Mr. Pearson has been with the Chicago "Journal of Commerce" since 1933 in various capacities.

### Arrange for La Salle Meeting

James J. Beattie, vice-president of Region 2 of the Illinois Association of Insurance Agents, reports that the Hotel Kaskaskia has been selected for the meeting in La Salle May 13 and that a quiz contest between the DuPage County Board and the Rockford Association of Insurance Agents is being arranged. Rockford was the winner last year and DuPage is out to get revenge.

## Bugli Arranges for Oakland Daily

The daily "Convention Reporter," which made its bow at the Boston gathering in 1939, will again be published at the Oakland convention of the National Association of Insurance Agents by the London Assurance and the Manhattan Fire & Marine. Ralph W. Bugli,



RALPH W. BUGLI

advertising manager, has completed final plans for reviving the paper which has become a feature fixture of the past three National association conclaves. As "a friendly service to give delegates a bird's-eye picture of both the serious and lighter sides of National association meetings," it is the only regularly printed newspaper whose life span extends only over the meeting periods of a leading trade association. Its success has been chronicled in "Printers' Ink," advertising journal, and trade association officials in several fields have announced their interest in adapting the "Convention Reporter" idea.

### Publicizes Other Companies

The paper promotes its sponsors only indirectly, through unobtrusive advertisements, and does not hesitate to publicize rival companies or personalities.

The paper never competes with any regularly established insurance publication circulating at National association conventions, Mr. Bugli points out, adding that all insurance reporters and editors have been extremely helpful in making the "Reporter" possible.

## London Assurance Has Excellent Year

NEW YORK—London Assurance during 1940 enjoyed its best year in this country in more than a decade. Assets rose from \$8,648,264 to \$9,695,014, and net surplus increased from \$3,838,921 to \$4,682,369. Largest single investment is in U. S. Government securities, which represent 47 percent of the total.

"The general rise in premium income has only served to intensify many problems of management and operation," commented Manager E. W. Nourse. "We shall have to underwrite our business in the light of defense activity; adjust investment policies to meet changing economic conditions, and watch acquisition cost and rising taxes."

Both net premiums written and the number of local agents representing Manhattan Fire & Marine increased more than 25 percent in 1940. Assets increased to \$3,417,103 and surplus to \$2,222,410. For every dollar of liability

of Insurance Agents is being arranged. Rockford was the winner last year and DuPage is out to get revenge.

outstanding, the company now has \$2.98 in assets. U. S. government securities represent the company's largest investment medium, being 54.5 percent of total. Government and municipal bonds represent 51 percent of total assets. Corporate bonds are spread over 17 different organizations and represent 14 percent of total assets. Preferred and common stock investments are diversified among 47 organizations and represent 22 percent of total assets.

Last year Manhattan entered the Philippine Islands through the general agency of Michigan Miller Timber Co., Manila. Delays in preparing policies and forms and certain department requirements, however, prevented any business activity there in 1940.

## 10 Companies Share Huge Louisiana Line

NEW ORLEANS—Binders covering \$18,850,130 fire insurance and \$10,311,450 windstorm insurance on state property have been issued effective April 1 by 10 companies. These and other companies were used by more than 100 agents in bidding for this business.

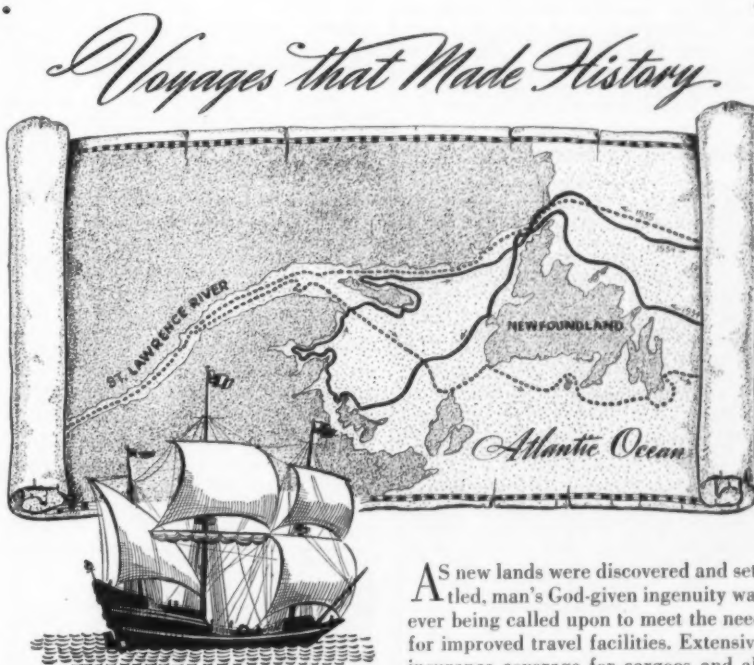
General of Seattle, through the Park-

erson General Insurance Agency of Lafayette, gets 15 percent of the total fire line at the five year rate of \$1, and 30 percent of the windstorm line at five year rate of .54. Premium on the General's share will be \$28,275 for fire, and \$16,704 windstorm.

Eight companies will each get 10.2 percent of the fire line and 8.4 percent of the windstorm line. They are: Home, Aetna Fire, Fidelity Phenix, Providence Washington, London & Lancashire, United States Fire, Automobile and Federal. The Hartford Fire gets 3.4 percent fire, and 2.8 percent windstorm. These nine companies quoted a five-year rate of 1.052 fire and .736 windstorm. The premium on their share of the business will be \$168,557 fire and \$53,724 windstorm.

While the binders have been issued the state department of finance has not yet named the agencies which will actually write the business. The list is now being prepared and will be released within ten days. Agents writing the business will have to finance the premium, as the state will pay in four annual installments without interest.

According to the specifications no company would be permitted to write an amount in excess of 10 percent of its policyholders' surplus on any one unit, but all named are within that limit.



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## Illinois 1940 Fire Figures

Fire and allied lines that were written in Illinois in 1940 by all types of carriers developed net premiums totaling \$65,445,388 and paid losses aggregating \$26,625,746, it is shown in a tabulation by companies presented below, prepared especially for this magazine from companies' reports to the Illinois insurance department. The combined loss ratio on Illinois business, on the basis of these figures, was 40.6 percent last year.

Stock fire companies reported aggregate net fire premiums only in Illinois last year \$28,599,894 and paid losses \$12,664,124, or a combined loss ratio of 44.2 percent; and total fire and allied lines net premiums \$58,477,863 and paid losses \$24,912,694, or loss ratio 42.6 percent.

### Stock Companies' Results

Experience of the stock companies was: Domestic—fire net premiums only \$577,031, losses paid \$265,127, loss ratio 45.9 percent; total fire and allied lines net premiums \$1,395,079, losses paid \$631,080, loss ratio 45.2 percent. Companies of other states—fire net premiums only \$24,283,221, losses paid \$10,563,647, loss ratio 43.5 percent; total fire and allied lines net premiums \$50,520,542, losses paid \$21,455,242, loss ratio 42.4 percent. Foreign companies—net fire premiums only \$3,739,642, losses paid \$1,835,360, loss ratio 49.1 percent; total fire and allied lines net premiums \$6,562,242, losses paid \$2,826,372, loss ratio 43 percent.

Domestic mutuals wrote \$1,645,593 net premiums and paid \$597,170 losses, loss ratio 36.2 percent. Mutuals of other states wrote in Illinois last year \$4,935,808 net premiums and paid \$1,061,188 losses, a loss ratio of 21.5 percent.

### Experience of Exchanges

Domestic interinsurance exchanges had \$173,464 net fire premiums and paid \$12,476 losses, a loss ratio of 7.1 percent. Interinsurance exchanges of other states wrote \$212,660 fire premiums and paid \$42,218 losses, a loss ratio of 19.8 percent.

The figures and ratios for the mutuals and exchanges were not broken down by fire only, and fire and allied lines, therefore include such fire sideline business as they write.

Below are presented the figures by companies ("F" representing fire only and "T" fire and allied lines combined):

### Domestic Stock Companies

	Net Premiums	Losses Paid
Allstate Fire.....T.	194,481	\$ 77,751
Federal Union.....F.	82,123	56,369
Illinois Fire.....T.	104,822	64,407
Millers National.....F.	1,918	16,929
National Reserve.....F.	45,863	24,170
Pioneer Fire.....F.	324,017	129,764
State Farm Fire.....F.	763,262	339,786
Transportation.....T.	107,965	70,374
	12,908	2,498
	13,366	2,272
	40,337	14,063
	108,556	28,413
	56,764	22,907

### Other State Stock Companies

	Net Premiums	Losses Paid
Aetna Fire.....F.	795,625	\$ 335,091
Agricultural.....F.	1,514,308	632,031
Albany.....F.	200,562	88,138
Allemania.....F.	346,376	164,215
Alliance, Pa.....F.	19,902	8,927
American Alliance.....F.	27,937	12,888
American & Foreign.....F.	66,136	14,508
American Auto. Fire.....F.	75,515	18,133
American Central.....F.	101,647	41,076
American Druggists.....F.	104,568	42,984
American Eagle.....F.	29,613	17,207
American Equitable.....F.	52,195	29,276
American Fire.....F.	519,647	179,700
American Home.....F.	123,321	58,760
American Insurance.....F.	158,331	70,522
American Reserve.....F.	41,052	29,748
American Union.....F.	42,388	30,139
American Western.....F.	74,896	68,451
American Fire.....F.	169,784	110,463
American Fire.....F.	330,020	173,593
American Fire.....F.	427,098	216,063
American Fire.....F.	5,439	1,698
American Fire.....F.	7,238	2,727

	Net Premiums	Losses Paid
American General.....F.	5,415	1,795
American Home.....F.	29,810	20,568
American Insurance.....F.	863,199	24,596
American Reserve.....F.	1,311,869	328,294
American Union.....F.	81,218	485,413
American Union.....F.	111,842	39,096
American Union.....F.	31,176	49,373
Anchor.....F.	13,938	18,243
Anchor.....F.	41,121	16,854
Anchor.....F.	11,348	4,980
Anchor.....F.	34,622	10,139
Assoc. F. & M. Ins. Co. T.	487	534
Automobile, Conn.....F.	304,128	148,703
Baltimore American.....F.	973,290	392,169
Bankers & Shippers.....F.	58,051	48,927
Bankers & Shippers.....F.	81,026	61,657
Bankers & Shippers.....F.	38,390	28,243
Bankers & Shippers.....F.	323,367	162,725
Birmingham Fire.....F.	1,349	1,155
Boston Fire.....F.	36,271	16,821
Boston Fire.....F.	105,914	54,063
Boston Fire.....F.	175,381	80,316
Buffalo.....F.	96,651	50,426
Buffalo.....F.	116,872	56,084
Caledonian-American.....F.	14,378	11,990
California.....F.	17,013	12,709
Calvert Fire.....F.	38,198	13,623
Calvert Fire.....F.	133,896	46,638
Calvert Fire.....F.	116,057	14,722
Camden Fire.....F.	146,921	45,582
Camden Fire.....F.	235,876	92,035
Capital Fire.....F.	582	150
Capital Fire.....F.	838	165
Carolina.....F.	16,563	12,910
Carolina.....F.	19,774	13,656
Central, Md.....F.	23,351	8,499
Central, Md.....F.	4,618	14,798
Central States.....F.	21,665	7,864
Central States Fire.....F.	4,096	1,510
Central Union.....F.	9,850	5,442
Central Union.....F.	11,825	5,682
Charter Oak.....F.	21,619	.....
Charter Oak.....F.	32,122	.....
Citizens, N. J.....F.	94,028	35,301
Citizens, N. J.....F.	283,475	150,459
City of New York.....F.	55,676	27,403
City of New York.....F.	125,626	39,620
Columbia, Ohio.....F.	115,934	39,216
Columbia, Ohio.....F.	163,645	50,595
Columbia, N. Y.....F.	10,852	3,671
Columbia, N. Y.....F.	20,874	16,259
Commerce.....F.	38,535	13,466
Commerce.....F.	169,399	86,888
Commercial Un., N. Y.....F.	49,341	17,846
Commercial Un., N. Y.....F.	84,667	28,158
Commonwealth, N. Y.....F.	138,009	75,020
Commonwealth, N. Y.....F.	235,223	108,430
Concordia Fire.....F.	136,359	55,321
Concordia Fire.....F.	194,638	72,162
Connecticut Fire.....F.	221,061	89,369
Connecticut Fire.....F.	479,785	177,136
Continental.....F.	837,947	399,183
Continental.....F.	1,327,884	625,701
County Fire, Pa.....F.	16,868	8,903
County Fire, Pa.....F.	22,923	9,151
Dearborn National.....F.	2,186	912
Dearborn National.....F.	11,786	2,607
Detroit F. & M.....F.	31,767	13,256
Detroit F. & M.....F.	43,906	17,748
Dixie Fire.....F.	18,344	10,528
Dixie Fire.....F.	25,157	11,625
Dubuque F. & M.....F.	200,394	83,627
Dubuque F. & M.....F.	356,162	137,257
Eagle Fire.....F.	44,662	11,513
Eagle Fire.....F.	58,376	19,521
East & West.....F.	66,011	23,993
East & West.....F.	90,058	31,933
Emmco.....F.	409,164	56,670
Empire State.....F.	45,282	25,852
Empire State.....F.	43,906	35,908
Employers' Fire.....F.	93,087	40,171
Employers' Fire.....F.	188,637	68,827
Equitable F. & M.....F.	106,819	38,916
Equitable F. & M.....F.	189,153	62,303
Eureka-Security.....F.	133,805	59,229
Eureka-Security.....F.	347,905	147,769
Excelsior.....F.	8,071	1,752
Farmers of York.....F.	26,658	9,968
Farmers of York.....F.	29,988	10,360
Farmers of York.....F.	2,082	9,847
Farmers of York.....F.	20,616	4,378
Federal.....F.	404,684	150,801
Federal.....F.	152,591	68,223
Fidel. & Guar.....F.	439,123	192,848
Fidel. & Guar.....F.	760,323	337,651
Fidel. Phenix.....F.	1,232,178	586,101
Fire Association.....F.	249,980	98,321
Fire Association.....F.	1,352,908	602,653
Fireman's Fund.....F.	310,984	108,815
Fireman's Fund.....F.	1,081,092	454,187
Firemen's, N. J.....F.	315,975	158,151
Firemen's, N. J.....F.	521,120	217,442
First American.....F.	27,640	35,579
First American.....F.	41,684	41,809
Franklin Fire.....F.	197,355	104,004
Franklin Fire.....F.	295,087	140,492
First National.....F.	37,241	4,338
Franklin Natl.....F.	49,404	5,441
Franklin Natl.....F.	27,964	10,835
Fulton Fire.....F.	58,959	23,961
Fulton Fire.....F.	25,624	5,006
General Exchange.....F.	74,133	2,133
General Exchange.....F.	1,490,563	843,335
General, Seattle.....F.	221,053	71,072
General, Seattle.....F.	356,629	122,106
Georgia Home.....F.	4,780	.....
Gibraltar F. & M.....F.	5,823	240
Gibraltar F. & M.....F.	22,559	13,293
Girard F. & M.....F.	28,568	14,254
Girard F. & M.....F.	221,953	125,836
Glens Falls.....F.	271,698	146,840
Glens Falls.....F.	282,420	135,379
Globe & Republic.....F.	492,194	182,402
Globe & Republic.....F.	96,137	38,729
Globe & Republic.....F.	129,486	45,438

\*Business mainly reinsured in National Union. Total premiums \$133,940, paid losses \$59,959.

	Net Premiums	Losses Paid
Globe & Rutgers.....F.	67,870	35,952
Globe & Rutgers.....T.	104,373	57,710
Granite State.....F.	32,000	8,860
Granite State.....T.	45,138	11,693
Great American.....F.	514,083	229,034
Great American.....T.	748,794	318,348
Gulf.....F.	61,167	31,052
Gulf.....T.	140,871	69,918
Hanover Fire.....F.	254,197	86,281
Hanover Fire.....T.	416,858	145,387
Hartford Fire.....F.	1,152,349	474,894
Hartford Fire.....T.	2,548,656	1,089,309
Home F. & M.....F.	87,873	22,351
Home F. & M.....T.	151,642	44,234
Home, N. Y.....F.	1,202,934	743,176
Home, N. Y.....T.	3,385,845	1,660,570
Homeland.....F.	19,475	12,129
Homeland.....T.	30,127	14,569
Homestead Fire.....F.	13,596	3,314
Homestead Fire.....T.	19,743	4,823
Imperial Assurance.....F.	88,201	34,473
Imperial Assurance.....T.	151,484	59,839
International.....F.	80,579	25,435
International.....T.	100,233	28,619
Inter-Ocean.....F.	61,830	30,777
Inter-Ocean.....T.	91,775	37,372
Jersey.....F.	46,955	10,108
Jersey.....T.	466,509	202,089
Kansas City F. & M.....F.	3,586	9,194
Kansas City F. & M.....T.	3,774	13,400
Knickerbocker.....F.	53,562	16,509
Knickerbocker.....T.	63,631	24,379
Lumbermen's, Pa.....F.	34,321	11,960
Lumbermen's, Pa.....T.	45,731	14,466
Manhattan F. & M.....F.	22,352	22,124
Manhattan F. & M.....T.	68,547	36,546
Maryland.....F.	15,038	8,824
Maryland.....T.	18,637	9,951
Massachusetts F. & M.....F.	16,868	6,903
Massachusetts F. & M.....T.	22,993	9,151
Mechanics & Traders.....F.	60,589	23,475
Mechanics & Traders.....T.	127,832	51,917
Mercantile.....F.	95,849	40,512
Mercantile.....T.	149,105	55,856
Merch. & Mfrs., N. Y.....F.	47,137	26,265
Merch. & Mfrs., N. Y.....T.	64,903	34,594
Merchants, N. Y.....F.	243,217	106,633
Merchants, N. Y.....T.	355,727	138,437
Merchants, Denver.....F.	32,386	10,134
Merchants, Denver.....T.	43,873	13,184
Merchants, Ind.....F.	15,304	7,638
Merchants, Ind.....T.	19,765	8,962
Mercury.....F.	113,508	36,717
Mercury.....T.	210,244	70,212
Metrop. Fire Re.....F.	59,117	18,421
Metrop. Fire Re.....T.	85,599	22,621
Michigan F. & M.....F.	65,407	22,576
Michigan F. & M.....T.	114,192	39,037
Milwaukee Mechanics.....F.	295,651	159,831
Milwaukee Mechanics.....T.	399,146	189,697
Monarch Fire, Ohio.....F.	55,752	24,668
Monarch Fire, Ohio.....T.	144,961	61,560
National-Ben Frankn.....F.	89,993	31,677
National-Ben Frankn.....T.	134,743	46,950
Natl., Hartford.....F.	815,622	316,014
Natl., Hartford.....T.	1,720,811	698,877
National Grange.....T.	1,053	280
National Liberty.....F.	341,891	183,084
National Liberty.....T.	608,545	244,411
National Security.....F.	58,511	27,965
National Security.....T.	85,676	36,488
Natl. Surety Marine.....T.	2,117	500
National Union, Pa.....F.	218,353	118,800
National Union, Pa.....T.	566,234	380,279
New Brunswick.....F.	75,484	23,164
New Brunswick.....T.	121,317	40,025
New England.....F.	16,352	5,644
New England.....T.	28,523	9,759
New Hampshire.....F.	113,736	49,347
New Hampshire.....T.	166,332	71,739
Newark Fire.....F.	71,809	38,036
Newark Fire.....T.	101,378	51,500
New York Fire.....F.	114,309	49,095
New York Fire.....T.	205,468	90,384
New York Underw.....F.	289,947	86,004
New York Underw.....T.	463,009	168,570
Niagara Fire.....F.	218,395	92,036
Niagara Fire.....T.	321,470	136,045
North America.....F.	741,382	289,304
North America.....T.	1,452,793	765,940
Northeastern, Conn.....F.	100,442	40,316
Northeastern, Conn.....T.	141,779	47,145
Northern, N. Y.....F.	188,227	101,655
Northern, N. Y.....T.	558,716	270,796
North River.....F.	248,226	88,883
North River.....T.	402,695	112,136
North Star Re.....F.	68,892	37,041
North Star Re.....T.	329,827	104,506
Northwestern F. & M.....F.	26,005	13,888
Northwestern F. & M.....T.	153,936	74,226
Northwestern Natl.....F.	422,531	165,697
Northwestern Natl.....T.	596,396	219,637
Occidental.....F.	27,082	17,460
Occidental.....T.	62,837	33,932
Ohio Farmers.....F.	49,581	17,032
Ohio Farmers.....T.	65,207	22,104
Old Colony.....F.	31,465	22,386
Old Colony.....T.	69,751	22,137
Orient.....F.	172,485	78,492
Orient.....T.	264,149	104,555
Pacific Fire.....F.	73,621	25,135
Pacific Fire.....T.	269,842	212,146
Pacific National.....F.	172,472	52,456
Pacific National.....T.	281,673	85,544
Patriotic.....F.	28,654	13,911
Patriotic.....T.	47,037	19,432
Paul Revere Fire.....F.	43,621	16,195
Paul Revere Fire.....T.	116,108	40,490
Pennsylvania Fire.....F.	258,685	113,199
Pennsylvania Fire.....T.	369,184	155,944
Phila. F. & M.....F.	117,990	71,833
Phila. F. & M.....T.	182,220	96,928
Philadelphia Natl.....F.	18,535	18,807
Philadelphia Natl.....T.	22,150	17,406
Phoenix.....F.	353,202	151,895
Phoenix.....T.	688,282	293,388
Piedmont.....F.	9,123	787
Piedmont.....T.	17,560	29,663
Pilot Reinsurance.....F.	9,339	11,116
Pilot Reinsurance.....T.	12,371	37,941
Potomac.....F.	58,999	28,520
Potomac.....T.	145,832	71,093



## (CONT'D FROM PRECEDING PAGE)

	Net Premiums	Losses Paid		Net Premiums	Losses Paid
Pacific Coast .....	5,348	730	Fall River Manufac. Mut.	56,663	2,414
Palatine .....	16,214	1,419	Federal Mut. ....	12,816	1,663
Pearl Assur. ....	26,261	6,336	Fidelity Mut. Fire....	11,025	6,723
Phoenix Assurance....	115,476	117,942	Fireman's Mut. ....	217,739	18,336
Royal Exchange....	153,302	209,955	Grain Dealers Nat. Mut.	162,704	29,522
Royal .....	344,925	45,616	Hardware Deal. Mut. F.	353,977	96,393
Scottish Union & Nat..	127,099	67,736	Hardware Mut., Minn...	11,267	32,591
Sea .....	38,523	12,124	Impl. Dealers Mut. ....	18,441	15,007
Skandia .....	91,582	194,644	Industrial Mut. ....	124,245	49,657
Skandinavia .....	29,548	81,124	Iowa Hardware Mut. ....	21,060	1,214
Standard Marine....	29,936	185,807	Lumbermen's Mut. ....	70,918	23,934
State Assur. ....	1,907	233,543	Lumber Mut. Fire....	80,799	24,905
Sun .....	165,269	71,193	Manufac. Mut. Fire....	114,628	7,821
Swiss Reinsurance....	283,808	139,916	Market Men's Mut. ....	7,632	2,764
Switzerland Genl....	345,392	130,558	Mechanics Mut. Fire....	68,777	4,693
Thames & Mersey Mar..	29,429	146,178	Michigan Millers Mut.	75,316	14,995
Union & Phenix Esp..	53,537	8,264	Millers Mut. Fire, Pa..	27,586	8,506
Union Assur. ....	24,298	11,500	Millers Mut. Fire, Tex..	29,541	6,570
Union F., Acc. & Gen..	13,674	2,266	Mill Owners Mut. ....	72,179	26,499
Union, Canton....	3,677	29,829	Minnesota Impl. Mut.	361,916	115,202
Union Mar. & Gen....	11,335	30,780	National Jewelers Mut.	5,714	573
Urbaine .....	28,985	4,512	National Mut. Fire....	4,626	2,159
Western Assur. ....	27,034	7,851	National Retailers....	460,989	112,732
Yorkshire .....	69,960	12,066	Northwestern Mut. ....	153,444	65,548
			Ohio Hardware Mut....	18,397	14,202
			Ohio Mut. ....	1,102	84
			Ohio Underwriters Mut.	5,550	1,532
			Pawtucket Mut. ....	7,480	749
			Penn. Lumb. Mut. ....	63,145	35,605
			Pennsylvania Millers....	37,371	11,170
			Philadelphia Manufac.	87,969	3,356
			Republic Mut. ....	900	2
			Rhode Island Mut. ....	114,628	7,821
			Rubber Manufac. Mut..	59,134	2,427
			Security Mut. ....	5,733	7,092
			State Mut. ....	137,554	9,386
			Union Mut. ....	35,863	20,708
			United Mut. ....	265,176	74,106
			West Bend Mut. ....	3,611	245
			Western Millers Mut....	38,030	14,372
			What Cheer Mut. ....	98,700	5,524
			Worcester Manufac. Mut.	57,566	2,414
			Workmen's Mut. Fire...	12,468	1,691

## Domestic Mutuals

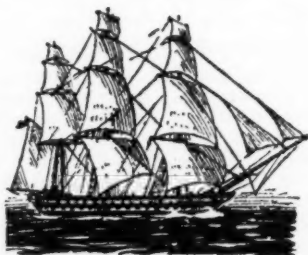
(Total Writings Only)

	Net Premiums	Losses Paid
Addison Farmers Mut...	76,514	30,588
Downers Gr. Farm. Mut.	26,716	7,120
Egyptian Mut. Auto....	9,767	7,467
Evangelical Mut. ....	1,499	223
Farmers' Mut. Reins.	528,108	243,979
Florists' Hall Assn....	15,470	463
Home Owners Mut. ....	17,525	1,298
Illinois Mut. Fire....	68,879	17,442
Lutheran Mut. Fire....	18,388	4,721
Millers Mut. Fire....	470,166	165,574
Mill Owners Mut. ....	124,981	9,600
Mount Carroll Mut....	6,926	35,126
National Mut. Church...	21,477	17,725
Protection Mut. ....	187,472	14,250
United Farm Mut. Re...	71,705	41,694

## Other State Mutuals

(Total Writings Only)

	Net Premiums	Losses Paid
Allied Amer. Mut. ....	31,136	12,959
American Mut. ....	68,777	4,693
Arkwright Mut. ....	142,196	4,808
Atlantic Mut. ....	228,745	35,949
Automobile Mut. ....	15,917	1,459
Badger Mut. ....	67,925	19,139
Berkshire Mut. ....	9,295	2,720
Blackstone Mut. ....	191,421	11,997
Boston Manufac. Mut...	223,490	9,373
Brotherhood Mutual....	27,885	9,973
Central Manufac. Mut..	154,548	36,590
Citizens Fund Mut....	13,568	3,734
Cot. & Woolen Man. Mut.	59,134	2,427
Druggists' Mut., Ia....	6,235	2,120
Employers Mut. Fire...	33,808	8,026
Enterprise Mut. ....	68,777	4,693



1805

In 1805, the Caledonian Insurance Company came into being. The story of its growth from small beginnings in Scotland into a British Institution with world-wide ramification is a romance as inspiring as the history of the sea itself. The Company has seen the rise and fall of many institutions but shrewd and conservative finance allied to sound and efficient management has enabled the good ship "Caledonian" to weather all storms.

## ACHIEVEMENT

The United States Branch of the Caledonian Insurance Company undertakes all classes of Fire, Motor and Marine Insurance permitted to be written by a Fire Insurance Company.



1941

**THE CALEDONIAN INSURANCE COMPANY**  
 UNITED STATES OFFICE: HARTFORD, CONN.  
 ROBT. R. CLARK, UNITED STATES MANAGER  
**S. D. McCOMB & COMPANY, INCORPORATED**  
 116 JOHN STREET, NEW YORK  
 UNITED STATES MARINE MANAGERS

Arthur Smith Is Appointed  
Illinois Department Deputy

Arthur G. Smith has been appointed special deputy of the Illinois insurance department in charge of the Chicago branch office in the Insurance Exchange building. He resigned from Alfred M. Best Co. in the western division office in Chicago, where he had been associated with his brother, Raymond T. Smith, vice-president of Best, for nine years in contact work in the Chicago territory. He succeeds A. C. Resek, who resigned recently from this department post to join the Continental Assurance branch office in the Insurance Exchange, Chicago.

## A Native of Chicago

Arthur Smith was born in Chicago and attended Lane Technical High School and the Northwestern University school of commerce. He was connected with General Electric Supply Corporation for a number of years, doing illuminating engineering work in connection with industrial and commercial lighting. Mr. Smith's experience in insurance has been general, covering all lines through his connection with Best Co. The Chicago branch post requires a broad knowledge of conditions in the surrounding territory and for this Deputy Smith is well equipped.

Mid-Western Councillors  
Meet with Company Group

The national councillors of the middle western states held an all-day session with luncheon in Chicago Tuesday with members of the Subscribers Actuarial Committee. E. A. Henne, vice-president of America Fore, who is chairman of the subscribers committee, was in general charge.

The agents at the conference included George W. Carter and David Marantette of Detroit; W. B. Calhoun, Milwaukee; L. E. Bright, St. Louis; Alvin S. Keys, Springfield, Ill.; Alex Case, Marion, Kan.; Arthur Dunbar, Omaha; Frank S. Preston, Minneapolis, and Miner Shaw, Sioux Falls, S. D.

Such conferences have been held annually for the past several years and have proved to be an excellent opportunity for the company and agency representatives in the west to discuss current situations and get an understanding of one another's point of view.

Mr. Carter will fly from Detroit to Oakland, Cal., and will preside there at the session of councillors of the middle western states during the mid-year meeting of the National Association of Insurance Agents.



## presents

a new and simplified work sheet for the development of Use and Occupancy insurable values together with an explanation in laymen's language of the purpose and operation of this insurance necessity.

Copies are available upon request.

**AFFILIATED COMPANIES**  
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**PHILADELPHIA NATIONAL INSURANCE CO.**

Insurance of Physical Values  
is Essential;  
Insurance of Business Earnings  
is Vital.



Head Offices, 401 Walnut Street,  
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OLD LINE STOCK FIRE, MARINE  
AND AUTOMOBILE INSURANCE

## LEGISLATION

### Independent California Department Bill Expected to Pass; Increases Salary

SAN FRANCISCO—It is expected that the bill before the California legislature providing for an increase in the salary of the insurance commissioner from \$6,000 to \$10,000 will be passed and signed by the governor.

The present division of insurance, now a part of the state department of investment, will become a separate department if the bill passes. The measure provides that no person can be named insurance commissioner, a deputy or employee of the department, if connected in any way with the insurance business, except as a policyholder.

Although some opposition to the measure has developed, the fact that all of the agents' and brokers' organizations in the state have filed a petition with the legislature as to why they are supporting the bill is expected to carry it through successfully.

### Claim General Motors Men Beat Neb. Qualification Bill

LINCOLN, NEB.—Chief instrument in the defeat of the agent's qualification bill in the Nebraska legislature was the activity of dealers handling General Motors products, insurance men say. The dealers paid particular attention to the legislators from their districts. Insurance Director Fraizer continues to hold up a number of applications by Motors Insurance Corporation for agent's licenses, holding that under existing law they are not eligible because the law forbids issuance of licenses to persons writing their employers' risks.

Before the session began Nebraska agents held a number of conferences and finally agreed on the bill as introduced. As the bill was amended in committee at one time only stock company agents were brought within its provisions, and the provision requiring countersignatures of local agents to all policies was eliminated. The bill finally reached a stage where few wanted it, and the committee decided to make no attempt to meet various objections.

### Fight Non-Assessable Bill at Massachusetts Hearing

BOSTON—Stock company representatives testified at the hearing before the insurance committee of the Massachusetts legislature on the bills permitting mutuals to issue non-assessable policies if they have a surplus equal to the amount of capital required of a stock company doing the same kind of business, or \$100,000 surplus if they had been in business 20 years and had not levied an assessment.

Commissioner Harrington, while stating he did not wish to take one side or the other, favored depositing \$100,000 with the state instead of the surplus requirement for non-assessable privileges. Otherwise the department would have to maintain a constant watch on companies operating on the border line of a \$100,000 surplus.

#### Public Interest First

J. W. Downs, Insurance Federation counsel, declared that public interest should come first. He quoted from a 1936 pamphlet of the Federation of Mutual Fire Companies which declared that the "contingent liability of mutual companies was the greatest safety factor" and a Massachusetts Mutual Fire Association booklet of 1939 making similar assertions, to refute the arguments of proponents of the bill that the assessment feature of a mutual company had "little value." Mr. Downs quoted figures to show that stockholders of stock companies had been

assessed millions of dollars as in the case of the Chicago, Boston and San Francisco conflagrations to meet losses. He said 264 mutual companies had failed in New England since 1836.

Mr. Downs called attention to the New York law which provides for a limitation of dividends, which the Massachusetts bill does not cover. He declared the bill would actually allow a mutual company, 20 years in business without having levied an assessment, to issue non-assessable policies with one-third of the capital and surplus required of a stock company doing the same business.

#### Should Study Other Requirements

C. L. Allen, National Board counsel, said Massachusetts had passed a non-assessable bill for the mutuals in 1882 and had repealed it five years later. The fact that 46 other states had passed a non-assessable bill for mutuals should not be accepted at its face value, as the committee should study the special conditions imposed by each state as affected such laws.

Opposition to the bill was recorded by the Massachusetts Association of Insurance Agents, the Insurance Brokers Association of Massachusetts and various agents, brokers and general agencies.

### Colorado Measures Passed

DENVER—The state legislature has passed bills authorizing the insurance commissioner to inquire into the qualifications of insurance agents, authorizing the collection of the state 2 percent tax on reinsurance premiums, requiring insurance companies to be organized and qualified before engaging in the sale of stock and raising the salaries of insurance department examiners.

A measure was passed making the breaking and entering of a motor vehicle a felony.

### Mo. Bill to O. K. Par Policies

JEFFERSON CITY, MO.—A bill has been introduced in the house that would permit all companies to distribute surplus profit to policyholders.

Attorney-general McKittrick recently held that such a procedure is legal under the existing statutes. The proposed amendment would remove all doubt on this score.

The second session of hearing on the agents' qualifications bill by the insurance committee of the house has been postponed to April 16.

Ohio—The assembly is planning to adjourn May 1.

Governor Bricker has signed a bill permitting the insurance division to extend 30 days credit, instead of compelling insurance companies and agents to pay cash for services rendered.

Minnesota—Liberalization of the laws governing use and occupancy underwriting in Minnesota is practically assured. A bill correcting the situation which has existed for some years has passed the house and fair sailing seems certain in the senate. It is viewed as the most important piece of insurance legislation to come out of Minnesota this year. Court interpretations of the old statutes has discouraged the writing of U. & O. in Minnesota.

Compulsory automobile liability insurance is a dead issue. The measure to put teeth in the financial responsibility act is still in committee and is being pushed by the Minnesota Association of Insurance Agents which this week sent a circular to all members urging them to contact their legislators in its behalf.

A bill prohibiting race discrimination in automobile insurance has been favorably reported out by the house insurance committee which, however, struck out the clause requiring companies to give written reasons for rejecting an applicant.

Little chance is given the agents' qualification bills to get very far. They were introduced too late.

The bill banning sale of fireworks in Minnesota has now passed both houses

but will not be effective until after July 4 this year.

Nebraska—Governor Griswold has signed the bill abolishing the 24-year-old state hail insurance bureau.

Wisconsin—License fees would be raised from \$1 to \$25 for agents and from \$10 to \$100 for non-resident insurance brokers, under provisions of the McParland Bill. Separate license would be required for each company represented.

Iowa—Bills returning the collection of premium taxes to the insurance department, requiring mutuals to pay 1 percent tax on reinsurance premiums and inter-insurance exchanges have passed both houses. The senate has passed a bill clarifying hail association returns to policyholders.

### H. A. Payne Secretary of Home's Eastern Department

NEW YORK—Herbert A. Payne has been appointed secretary of the eastern department of Home. He has been with the company since 1921, when he became an adjuster in this city. Seven years later he went to Indianapolis as adjuster and special agent, being recalled to the head office in 1934 and made assistant general adjuster. In January, 1939, he was appointed supervisor of the eastern department and in a few months later appointed an assistant secretary.

The Home has appointed Henry Doyen assistant general adjuster of the loss department with supervision of the Pacific Coast and foreign divisions. His first insurance connection was with the Queen. Later he was with the Royal Standard Accident and National Liberty, becoming an adjuster for the latter company in 1928 and serving in the same capacity when it affiliated with Home.

### Sue for Fire Marshal Tax

INDIANAPOLIS—The Indiana Retail Merchants Association Mutual Fire and Merchants Fire of Indiana have filed suit against the state to compel return of \$3,717 alleged to have been paid "under duress and coercion" to a so-called fire marshal's fund.

After the fire marshal's fund law was changed in 1937, the two companies alleged they were notified to pay a fund tax, under threat that their licenses would not be renewed if they failed to pay. They assert they paid under protest and later filed action in circuit court to determine whether they were liable, which was decided in their favor.

### Group Meets in N. Y.

NEW YORK—For the convenience of the northern members of the executive committee of the Southeastern Underwriters Association, the monthly meeting was held in the board room of the Insurance Executives Association here Monday, the only absentee being R. B. Barnett of Atlanta, who is ill.

The meeting was of short duration, and was devoted largely to discussing the points of a particular form of cover in use with certain modifications in the different jurisdictions of the country and to a review of present conditions in the south.

The agenda for the annual gathering at White Sulphur Springs, W. Va., June 16-18 will be prepared by Executive Committee Chairman L. P. Jervey, in collaboration with Manager Lloyd T. Wheeler.

### Wyoming Towns Reclassified

CHEYENNE, WYO.—Commissioner McDonald announces a reclassification of Wyoming communities which will result in a saving of from 4 to 8 cents per \$100 on dwelling rates in communities maintaining fire departments, effective June 1.

Reductions of 4 cents per \$100 will be made in 31 cities and towns, and eight 8-cent reductions will be effected.

## New Advertisements for America Fore

A new series of America Fore advertisements will start in the insurance press this month.

These "ads," written in primer style and illustrated by photographs in which toys are used as models, comprise a distinct change of pace in the well known



FRANK S. ENNIS

dramatic photographic advertising of the America Fore group.

"We have not abandoned that type of advertisement and illustration which has become the hallmark of the America Fore group in the trade press," said Advertising Manager Frank S. Ennis. "This short series has been designed to put across the slogan 'Sell Protection—Not Policies' which will be the theme of the campaign. The primer style is used to make the agent realize that the questions discussed should be elementary to those engaged in the selling of insurance."

"It is hoped that this campaign will impress upon agents the importance of checking carefully and regularly their clients' insurance," said Mr. Ennis. "Lack of such service by agents is a greater threat to the agency system than all the price appeals of the cut-rate, direct writing companies."

These "ads" were written and photographed by Mr. Ennis, who stated that the models used were the best he ever worked with because they were untiring, could hold their pose, and did not complain about the heat from the lights.

### Complete Bond by Airplane

JONESBORO, ARK.—When Eric Rogers of the Jonesboro Insurance Company agency needed a power-of-attorney to execute bond for the L. D. Brayton Construction Company, Dyersburg, Tenn., which had been awarded the REA contract for additional miles of lines, he phoned his bonding company in Little Rock and within two hours Gilbert Leigh, Jr., was circling over Jonesboro in his private plane with the needed papers. Mr. Leigh signaled Mr. Rogers by flying over his office and Mr. Rogers drove out to the airport to meet him.

### Seek Modification of Ordinance

LOS ANGELES—The ordinance recently adopted by the Los Angeles city council, providing for a new form of bond for house movers, and a form of bond to meet the provisions of the ordinance were discussed by the Surety Underwriters Association of Southern California. The rules, rates and forms committee was instructed to confer with the city attorney to secure a modification of the ordinance.



## B.D.O. Finds Need for Better Selling

(CONTINUED FROM PAGE 3)

automobile," said Mr. Mays. "It is knowing in advance what to do, how to do it and doing it. Anywhere in the U. S. you have no difficulty in finding an insurance producer who will spend all afternoon telling you what is wrong with the government, the conduct of the war in Europe, the stock market, and the Brooklyn Dodgers, but if you ask him to give a five-minute talk on salesmanship he will have other things to do. Yet we are in the greatest selling business in the world."

In 95 percent of the insurance offices in this country the head is doing detailed work that could be done as well and probably better by a \$25 a week clerk, according to Mr. Mays. His office looks as if a cyclone had struck it. Most of the practices in the office grew without rhyme or reason. Lack of system and planning does not begin in the field. It begins in the agent's office and that is where the correction process should begin. Offices should look like responsible business establishments and some system and efficiency must be introduced in both inside and outside operations.

### Can Meet Price Competition

If agents take care of their most serious competition, which comes from slipshod selling practices and from inefficient office operations, most of the competition from cheap insurance will be taken care of automatically. Selling efforts will be more effective and customers better served. The agent's commission account will be the proof of the value of planning his production.

The problem is as important to general as to local agents and the former should help introduce better selling methods, Mr. Mays asserted.

The B.D.O. is going deep into organized selling, and this information will be available.

### What the B.D.O. Learned

Inaugurated on April 1, 1936, B.D.O. was charged with the broad function of sales promotion.

To learn how to make capital stock indemnity easier to sell, it had to discover why it was difficult to sell. It was necessary to base various sales approaches on one of the several emotions that make a person do something that is good for him but which he does not want to do and ordinarily will not do.

Aside from insurance purchased by compulsion of creditors, two basic emotions prompt a person to do something which is good for him, the B.D.O. learned. One is fear of failure, financial loss, criticism; the other is pride—of ownership, possession, accomplishment.

"In the past we had been appealing to these basic emotions in reverse. Instead of appeal to the emotion of security, in too many instances we had been

trying to scare our customers. Instead of appealing to the emotion of pride, we had been criticising our potential customers, for lack of foresight in not purchasing certain kinds of protection or for lack of judgment in the kind of protection they had purchased. The constant backfire and the decline in public good-will was sufficient evidence in itself of the unsoundness and danger of such a selling technique.

### Appeal to Pride

"It has been proven, time after time, that the more effective selling method is to appeal to the customer's pride by showing him how best to protect and further his already considerable accomplishments," Mr. Mays said.

"Both fear and pride are the result of a powerful, driving force—the desire for security. Why not put it on our side and make it work for us?"

"We had to learn if cheap insurance would fit into the public's struggle for security and, if it wouldn't, how we could present the story of sound insurance so that the public would prefer it to cheap insurance in spite of a price differential. We had to learn to demonstrate how quality protection would serve the public better than cheap insurance."

### Own Competition Most Serious

It was at this point that the B.D.O. "discovered that the worst and most serious competition which we suffer today is the competition which we manufacture ourselves."

"Every buyer of insurance has only a certain number of dollars to spend for all of the things he needs and wants. Insurance ranks at the top of the list of the things he needs, but far down on the list of the things he wants. We recognized that we have a real task on our hands to bring the buyer's desire for insurance on a par with his need for it and that requires the most careful planning and execution of our sales efforts."

### Observations on Pa. Fire Old-Time Setup in Chicago

(CONTINUED FROM PAGE 11)

to Michigan when Mr. Wallace took the Wisconsin field; Mr. Livingston now being surety manager of Standard Accident at Los Angeles; Geo. M. Eddy, now a Chicago broker, was special agent in northern Illinois and Indiana; R. E. Mackintosh was Iowa state agent; Joseph L. King traveled out of Minneapolis; W. C. Browne resided in St. Louis, having southern Illinois and Missouri. His brother, Grant Browne, was in charge of Cook county and later was in charge of the Rocky Mountain states, and later was with Liverpool & London & Globe in Minnesota.

John G. Wetzel traveled for the company in Ohio. William Cormany was a field man in Kansas. Here was a fine galaxy of field talent.

## New York Adjusters Form Association

NEW YORK—The New York Association of Independent Insurance Adjusters has been formed here. Officers are: President, Prentiss B. Reed; vice-president, W. M. Mortimer; secretary treasurer, R. L. Hoercher; executive committee, R. F. Coleman, A. R. Lee, J. C. Sneath, C. W. Tate and Sherman Thursby, all of New York City.

Formation of the association followed a series of conferences among the adjusters and with representatives of the insurance department. Discussions with the latter were with regard to the proposed amendment to the insurance law requiring the licensing of independent adjusters. The claim men also have submitted for passage an amendment to the New York general business law, which if enacted, would specifically exclude them from compliance with it and

place them under jurisdiction of the insurance department, where, it is contended, they should be.

General objective is improvement of service and standards.

## Fetick, Jarvis and Cowie Advanced in Pearl Group

George P. Fetick and Harold L. Jarvis have been appointed joint chief accountants, for Pearl, Monarch and Eureka-Security. Mr. Fetick has been associated with Eureka-Security F. & M. since 1901 and he is assistant secretary of that company and a director. He is also secretary of Monarch Fire. Mr. Jarvis has been associated with Monarch Fire since shortly after its incorporation in 1929.

Eureka-Security has appointed D. J. Cowie treasurer. He has been assistant treasurer and is branch secretary of Pearl, and a director of Eureka-Security and Monarch.

● Ground floor or upper floors, or office space in large or small units in the Insurance District Downtown at prices that are very reasonable indeed.

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## EDITORIAL COMMENT

### Paul vs. Virginia—Frailer Than Ever

A year or so ago we commented editorially that in view of the current makeup of the United States Supreme Court and the evident anxiety of certain elements in the new deal to get insurance under their control as fast as possible the venerable Paul vs. Virginia decision that insurance is not commerce could be considered as no more than a frail reed in the support of any contention against federal supervision of life insurance.

Recent developments in the way of attempts to bring insurance under the federal wages and hours law make it seem doubtful that Paul vs. Virginia should be regarded as having any value whatever outside of a possible psychological effect in causing Congress to hesitate to override an established decision of the court. Even before the court had so large a new deal majority it found merit in arguments to expand the interstate commerce clause in the constitution that seemed to the layman very much like an exhibition of legalistic legerdemain.

The court held that activities need not be in themselves interstate commerce but could come under the constitutional provision if they "affect" interstate commerce. Almost any activity imaginable could, on this basis, be "proved" to be linked with interstate commerce. An insurance company which attempted to avoid payment of a claim on any such flimsy argument would not only be laughed out of court but would rightly be held up to public scorn for attempting to distort the plain meaning of the English language.

Thus, it might be shown that inability of a corporation to obtain business insurance on its key executives made it impossible for it to obtain capital and credit with which to expand and do an interstate business. Likewise it might

be shown that a corporation's ability to obtain a pension trust or group life insurance program, by affecting the quality of its personnel, has a bearing on its ability to expand from a purely intrastate business to interstate proportions. These examples may sound far fetched but to the layman they seem no more absurd than some of the reasoning that has been advanced to support the broadening of the federal government's control over business via the interstate commerce clause of the constitution.

Assistant Counsel V. A. Lutnicki of the American Life Convention in his recent analysis of the wage-hour situation as it affects life insurance, advised a policy of "appeasement," on the ground that compliance involves no great hardship and that it would be unwise to risk a reversal of Paul vs. Virginia. That view seems sound. Not only would there be the risk of losing the support, however slight, that Paul vs. Virginia might give against enactment by Congress of laws governing insurance, but the wage-hour law would be an extremely unpopular one to resist. Companies would seem to be trying to underpay their employees rather than standing for a principle.

Where, then, should the stand be made? On the basis of Mr. Lutnicki's advice the companies might conceivably let the federal government exercise the same degree of regulation as over other types of business. Any attempt at direct regulation of the insurance business would clearly call for a last-ditch fight, first in Congress and then before the Supreme Court. When that battle opens, Paul vs. Virginia may as well be forgotten. If the tide can't be stemmed in Congress there will be scant hope that a way will not be found around Paul vs. Virginia.

### Responsibility of Management

Those who heard the new state insurance director of Illinois, Paul F. Jones, in his Chicago address may dwell on some points he made with genuine advantage to themselves. For example, he emphasized the high importance of management in an institution. In fact he regarded it as the most valued factor in any enterprise.

Age and size have a certain significance and advantage. Yet behind the date of entering business, location or the financial statement is the character of the management, something intan-

gible yet a most valuable asset. What is the attitude of those who govern to the institution? What is their training, their experience? How do they look on the policyholders? Do they consider their relationship a fiduciary one? What is their ability and capacity to reach intelligent conclusions? What is their ability to arrive at reasonable and accurate judgments?

These and others we might mention are attributes that make a well ordered insurance company. Those who constitute the management should inspire

confidence. They should be regarded as fair, judicial, forthright. They should be "to the manner born."

Management, particularly during these chaotic, uncertain times is all im-

portant. Unprecedented issues have to be met and the most complicated problems. Therefore, those at the helm should be well equipped to meet all responsibilities.

## PERSONAL SIDE OF THE BUSINESS

**E. P. Goetzinger**, Texas special agent Indiana Lumbermen's Mutual, and president Texas 1752 club, is now recuperating in a Dallas hospital following a major operation. He will be absent from his office for about a month.

**William E. Bickel**, local agent of Vinton, Ia., and Mrs. Bickel are on a vacation trip to the Pacific Coast. Mr. Bickel has been in the agency business in Vinton since 1899.

**William Shakespeare**, Halifax, chief sprinkler inspector Nova Scotia Board of Insurance Underwriters, has been in the United States for several weeks studying American methods of training inspectors. He was in Chicago last week, visiting the Chicago Board, Western Actuarial Bureau and Illinois Institute of Technology.

**V. G. Martin**, secretary of the Ohio Association of Insurance Agents, has been appointed a member of the insurance committee of the Ohio chamber of commerce.

**Terry L. Ross**, Wenatchee, past president of the Washington Association of Insurance Agents, is confined to the Portland convalescent hospital, where he is undergoing a rest cure.

**A. H. Clevenger**, secretary of Fire Association, spent a week in Cincinnati and vicinity looking over the territory with R. S. Winnard, state agent.

**Oliver Bolton**, special agent of the Springfield Fire & Marine with headquarters in Peoria, Ill., was married to Gladys Yeck of that city, daughter of Richard Royster.

**Carl S. Lawton**, president of the Lawton-Byrne-Bruner agency of St. Louis, has now returned from Florida where he had been since early in January. Mr. Lawton had been ill and he went to Florida to recuperate and avoid a northern winter.

**S. D. Andrus** of the Andrus & Palmer Insurance Agency of Detroit on April 5 celebrated his 86th birthday. In writing to THE NATIONAL UNDERWRITER he recounted the fact that this day was also the 45th anniversary of the founding of THE NATIONAL UNDERWRITER, then being the "Ohio Underwriter." Mr. Andrus is one of the oldest men in point of service in years but is still active in business.

Mr. Andrus is just about as vigorous as he was 20 years ago. He was born in Watertown, N. Y., April 5, 1855. He attended Hope College, then at Holland, Mich. He had been in the grocery business with his father until October, 1872, when he entered insurance with the old Black River, afterwards known as the Northern of Watertown, N. Y. He resigned in 1878 to become assistant cashier in the wholesale grocery house of Sprague, Warner & Co. of Chicago. He then was in the grocery business in Leadville, Colo., and later became actively engaged in silver mining. He returned to Chicago in 1883 and entered

the wholesale dry goods business. On the collapse of that house the following November he concluded to return permanently to insurance and in April, 1884 he connected himself with the Sun of England as special agent for Illinois, Col. Thomas Johnston being state agent. He resigned in 1884 to accept a position with the Mississippi Valley and Northwestern Mutual Fire of Rock Island under David S. Wagner. Later he became special agent for the Norwich Union Fire for Illinois and Indiana. While with that company he was secretary of the Illinois State Board for three terms. In May, 1891 he became an examiner in the western department of the National Fire of Connecticut. In 1903 he became chief clerk of the Providence Washington. Later he entered the field for that company and became assistant manager.

**Charles Casey**, manager of John G. Simmonds & Co., the oil insurance syndicate, has returned to New York from a trip to the coast.

**James E. Guy**, automobile superintendent of America Fore in the west, has rallied strongly after receiving four blood transfusions at Ravenswood hospital in Chicago. Apparently he has passed the crisis. The doctors have not yet made an examination to discover the nature of the disorder, but have concentrated on building up his strength.

## DEATHS

**John R. Welton**, special agent of St. Paul Fire & Marine at Calgary, Alta., died there. He had been with the company in that field 20 years. P. A. Codere, chief agent for Canada, attended the funeral.

**C. D. Merideth**, well-known Seattle adjuster, died there after a long illness. At the time of his death he was with the Gould & Gould general agency. Before that he was with the United Pacific, Frank Allyn, Inc., and for a time had his own adjustment office.

**Morris Stoler**, 35, chief accountant in the Pacific department of the Firemen's group in San Francisco, died suddenly. He had been with the organization since 1928.

**L. O. Steenrod**, 63, father of V. B. Steenrod, North America special agent at Wichita, Kan., died at his home in Long Beach, Cal. For some years Mr. Steenrod was with the Wheeler-Kelly-Hagney Trust Co. at Wichita, being a vice-president when he retired a few years ago.

**Homer M. Hinchman**, 58, of the prominent San Francisco general agency of Hinchman, Rolph & Landis, died at Mills Memorial hospital at San Mateo where he had been taken after suffering a heart attack. Mr. Hinchman started in the business with the old Casualty Company of America in New York. He went to



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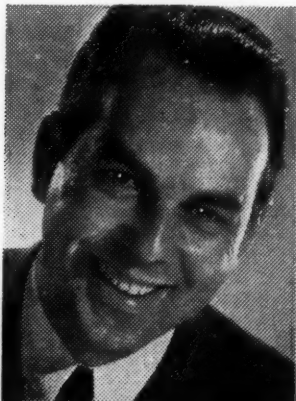
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## RELIABLE

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San Francisco in 1911 as casualty manager for Johnson & Higgins and shortly thereafter entered the casualty general agency business on his own account.

Mr. Hinchman was stricken with a heart attack while watching the races at Bay Meadows Track from the box of his partner, James Rolph, III.

After many years as general agent for casualty and automobile business he organized H. M. Hinchman & Co., representing fire and casualty companies. A few years ago this firm merged with Rolph, Landis & Ellis.

Russell M. Knepper, vice-president and counsel of the Ohio Insurance Federation and secretary and counsel of the Insurance Society of Columbus, died suddenly at his home there following a cerebral hemorrhage. He was about 60 years old. Mr. Knepper was senior member of the law firm of Knepper, White & Dempsey. He served terms as attorney to the state fire marshal and as counsel to the attorney-general. Mr. Knepper attended Heidelberg college and Ohio Northern University. He was prominent in Masonic circles and the Knights of Pythias. He was a member of the International Association of Insurance Counsel. Burial is at Tiffin April 10.

Samuel W. Sullivan, head of the W. A. Sullivan general agency, Jackson, Miss., died following a brief illness. He was formerly with the Mississippi Rating Bureau.

John G. Slater, 89, president of State Mutual Cyclone, Lapeer, Mich., died there.

Parker R. Howard, San Francisco manager of the Eagle Fire of New Jersey, the reinsurance company, died and funeral services were held in Oakland. He was at one time with North British & Mercantile.

Wendell P. Barker, 57, well known insurance attorney of New York, died Monday. He was a director and counsel for many important insurance companies and agency and brokerage organizations. He was appointed in 1935 as chairman of the New York Mortgage Commission and served until 1937.

### CALLED TO SERVICE

Arthur E. Campbell, Seattle independent adjuster, has been called to active duty as a lieutenant-colonel in the infantry. He will be stationed for the present in Seattle and he will be able to oversee the work of his office. Don C. Husted, for 10 years with the Campbell organization, will have direct charge of the office while Mr. Campbell is in the service. Mr. Campbell is most loyal gander of the Seattle Blue Goose.

J. P. Toolin, field assistant casualty lines of the Worcester, Mass., branch office of the Travelers, has been called for military service.

George L. Dutton, who is on a leave of absence from his duties as Oregon special agent of Phoenix of Hartford for army service, has been temporarily transferred from Camp Murray, Wash., to Washington, D. C. He is a lieutenant-colonel.

R. V. Eastman, special agent in the all-risk department branch office of the California-Commercial Union group in Los Angeles has been ordered to duty with the navy and is stationed at Tiburon, Cal. He is an ensign in the naval reserve. The office staff gave him a farewell party and presented him a handsome traveling kit.

### Arson Conviction Misses Fire

Conviction of Willie King, an oil worker, on a charge of arson growing

COMPETENT GIRLS  
WITH INSURANCE EXPERIENCE  
Furnished by  
TANNER PERSONNEL SERVICE  
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THE FIELD BUILDING  
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### Death Takes Former Head of Blue Goose Order



L. H. BRIDGES

Lawrence H. Bridges, who died last week in Indianapolis at the age of 55, had a long and successful career as a field man and served with distinction as most loyal grand gander of the Blue Goose, 1933-1934.

Mr. Bridges retired as assistant manager of the central hail department of Home, Chicago, in December, 1937, due to ill health. For a time he made his home at Wilkinson, Ind., near his birthplace of Warrington, and then moved to Indianapolis where he had been living the past 18 months.

Mr. Bridges joined the farm department of Home in September, 1920, while he was living at Greenfield, Ind. In June, 1921, he was transferred to Omaha as special agent for the farm department. At the beginning of 1924 he shifted from the farm to the recording department as special agent under Charles U. Hendrickson, Nebraska state agent.

In 1933, the year he was elected to head the Blue Goose at Toronto, Mr. Bridges was transferred from Omaha to Chicago as special agent for Illinois under State Agent A. H. Knight. In 1934 he was made assistant manager for the central hail department of the Home fleet in Chicago.

It was while in Omaha that he began to take an active part in Blue Goose affairs.

Attending the funeral at Indianapolis were G. M. Craig, Chicago, assistant manager farm department Home; J. W. Besterman, Employers Fire, most loyal gander of the Indiana pond; A. W. Schmadeke, Atlas, deputy m. l. g. for Indiana; Ralph Hukill, Cincinnati, Great American, past most loyal gander. Many of the field men of Home in Indiana were present.

out of the fire that destroyed an entire business block at Cisne, Ill., last December, with a loss of \$100,000, was nullified in the circuit court at Fairfield, Ill., when it was discovered that one of the jurors had served on the grand jury that indicted King. The case is to be retried.

About \$50,000 of insurance, more than half of it carried by mutuals, was in effect on the property at Cisne. The Masonic temple which also housed a feed and seed store; a restaurant, a lumber yard, and a seed warehouse were destroyed. Millers Mutual of Alton, Ill., had \$6,000 on the Masonic building, and \$25,000 on the seed warehouse. These represented the largest losses insurance-wise. The rest of the insurance was largely in stock companies.

The case was broken when King was taken to Chicago and submitted to a lie detector test. He then confessed that he started the fire while intoxicated.



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# The NATIONAL UNDERWRITER

April 10, 1941

## CASUALTY AND SURETY SECTION

Page Twenty-three

### See Huge Sales Possibilities in New Law in N. Y.

**Page-Anderson  
Auto Responsibility Act  
Effective Jan. 1**

NEW YORK—Production experts in the automobile liability field see sales possibilities in New York's Page-Anderson bill, now awaiting the governor's signature, beyond even those contained in the New Hampshire prototype. Not only will the New York measure, if signed by the governor, prevent motorists from driving if there is a claim against them for property damage of over \$25 or of any amount for bodily injury but the owner cannot even dispose of his car to anyone in the state, for it cannot be reregistered until the claim is satisfied and evidence of financial responsibility shown.

The effect of this provision will presumably be to cause finance companies to insist that liability and property damage insurance be carried on all financed cars. Best estimates are that 70 to 80 percent of all new and used cars sold in New York state are financed. If information could be obtained on the number of buyers who borrow money from banks or loan companies in order to purchase cars for cash the percentage of automobiles purchased on the installment plan could be given much more closely.

#### Used vs. New Cars

The percentage of used cars sold on time is even more uncertain than in the case of new cars but in general runs higher. Considering the wide popularity of time-payment buying and the fact that only about one-quarter of the state's automobiles are believed to be insured for B.I. and P.D., insistence of finance companies on these coverages should add enormously to the sales possibilities, irrespective of the attitude of the automobiles' owners.

Sales experience in New Hampshire has indicated that motorists, once they are shown the inconvenience and financial risk in remaining uninsured, will buy with very little urging. On the other hand, they do not suddenly stampede to the nearest insurance agency. Latest figures are that 72 percent of the car owners in New Hampshire carry B.I. and P.D. However, it took the combined educational influence of insurance agents and actual experience with the act to reach this figure.

#### Growth in New Hampshire

The act went into effect Sept. 1, 1937. At that time 36 percent of the state's motorists carried B.I. and P.D., as against 26 percent when the old financial responsibility law went into effect in 1927. By Dec. 31, 1938—after the

(CONTINUED ON PAGE 42)

### Defense Urgency Curbs Hostile Bills

**Legislatures Tend to Pass  
Only Needed Laws and  
Adjourn Early**

NEW YORK—Because of the defense emergency, comparative freedom from the usual crop of hostile legislation has marked the current legislative season, as far as the casualty business is concerned. Adjournment of the New York legislature this week brings the total of adjournments to more than half of those in session this year and most of the remainder are slated for early termination. The defense situation has quite generally had the effect of causing the legislators to enact necessary laws and waste little time with pet schemes of those seeking to reform the world.

#### Types of Bills Considered

Most of the bills affecting the casualty business dealt with unlawful practice of law, automobile financial responsibility laws or liberalizations of the workmen's compensation laws. The most drastic of the unlawful practice of law bills, aimed at insurance adjusters, is the one in Arkansas. It is likely to meet effective obstacles, however, as the state supreme court has final jurisdiction over who is permitted to practice law. If that course should fail, the measure's opponents could seek a petition for a referendum to place the matter before the people. It would be necessary to obtain 6 percent of the number of voters in the last general election. This course would at least delay the application of the law for two years.

#### Responsibility Laws Amended

A number of financial responsibility laws have been amended but most of these are minor changes. Only in New York was a complete new financial responsibility measure enacted. Quite a few bills were introduced to base recovery in an accident on comparative negligence. Without such a statute any degree of contributory negligence on the plaintiff's part invalidates his suit. Under a comparative negligence statute the plaintiff cannot recover as much as if he were entirely free from fault but damages are supposed to be assessed according to the extent to which he was free from fault.

There were a number of amendments offered for workmen's compensation laws, both to broaden the occupational disease coverage and to increase the injury benefits. Some of these got through. There were several bills to take care of indigent victims of automobile accidents but only one was enacted, in Oregon.

#### Fear Anderson Bill

Since New York is the model followed by so many states in their insurance legislation, there is some fear that the Page-Anderson financial responsibility law, enacted at the session just ended, will be followed in many other states, with the undesirable feature of levying an extra tax on the insurance companies to pay for the plan's administration. This feature was retained in the New York law after lengthy discussion, which in-

### Bill Advances to Waive Bonds

**Senate Passes Measure  
to Remove Delays in  
Partial Payment Projects**

WASHINGTON—The senate has passed and sent to the house for concurrent approval the bill to give the war department the right to waive performance and payment bond requirements of the Miller act in connection with army supply contracts. The war department sought the legislation in view of the fact that the comptroller general and the attorney general have ruled that contracts for supplies which contain provisions for partial payments to be made as the work progresses are contracts for "public work" within the meaning of the Miller act and hence require performance and payment bonds.

The war department contended that this creates an incongruous situation and has caused delay in the final execution and approval of a number of large aircraft contracts. It is pointed out that if a contract for 100 airplanes provides that payment is to be made upon completion of the contract and the delivery of the planes, no Miller act bond is required. If the planes are paid for as each one is delivered, no such bond is required. If a contract is awarded on a cost plus a fixed fee basis, the requirement as to Miller act bonds may be waived.

#### Initial Expenditures

However, if partial payments are made to help the contractor finance the work in progress prior to delivery, Miller act bonds must be furnished.

When partial payments are made as the work progresses, bank financing or advance payment financing of from 20 to 30 percent of the contract price is usually adequate to cover initial expenditures. When partial payments are not provided for it is frequently necessary that financing up to 50 to 60 percent be arranged. Financing in such large amounts, according to the senate committee, is difficult to obtain. Advance payments under existing law can be made only up to 30 percent of the contract price and if such advance is given by the government, other forms of financing are practically precluded. The situation, according to the committee, will become increasingly serious as the farming out program gathers momentum. When a large part of the prime contract is performed through subcontracts, financing up to 60 or 70 percent will be necessary unless partial payments are made as the work is performed and before actual delivery to the government is made.

cluded a proposal to add the expense to the license plate fee.

The casualty companies' representatives argued that the added premium volume resulting from the increased purchase of automobile insurance, as has happened with the similar law in New Hampshire, would supply enough extra premium tax so that the state could well afford to pay for the administration expenses out of the general fund.

### Comprehensive Auto Minimum Premium Reduced by Bureau

**Cut to Flat \$100, Drop  
P. D. Minimums, New Rule  
on Combined Coverage**

Several changes in the rules for the comprehensive liability policies, including reduction of the automobile comprehensive bodily injury liability minimum premium to a flat \$100 and abolition of minimum property damage liability premiums, have been put into force by the National Bureau of Casualty & Surety Underwriters. The changes became effective last week, except in states in which filings are required.

The new rules will go into effect in Illinois and Indiana April 14. They are awaiting approval in Louisiana, New Hampshire, New York, North Carolina and Oklahoma. The changes do not apply on the Pacific Coast and in Massachusetts, Texas, Virginia and West Virginia.

#### Auto Prospects Widened

The minimum bodily injury liability for the comprehensive automobile policy is now \$100 and there is no property damage liability minimum premium, although the latter coverage is still mandatory. The old rule called for a minimum premium of \$100 for bodily injury liability and \$50 for property damage, and there was a further minimum premium of five times the light class 5 truck premiums in the assured's headquarters territory, plus the \$15 hired cars and non-ownership liability minimum and the \$15 minimum additional premium for comprehensive coverage. In all large cities, accordingly, the minimum comprehensive automobile liability premium was considerably more than \$150. In Chicago, for example, it was \$365. This reduction will obviously make a great increase in the number of assured who may be sold comprehensive automobile liability insurance.

While there is no longer an automobile property damage liability minimum premium under the comprehensive form, the minimum \$5 additional premium for comprehensive coverage still applies to the property damage section. Three times the minimum premium is still charged for a three year policy.

#### Combined Minimum Changed

Where the assured carries both comprehensive automobile and comprehensive general liability insurance in the same company, either under two separate policies or under the combination comprehensive liability policy, the new bodily injury minimum premium is \$200 for the combined coverages. Formerly, the minimum premium was \$100 for each. This means, for example, that if a risk works up a comprehensive automo-

(CONTINUED ON PAGE 43)

## Indiana Approves Participating Plan

### Statement of Purpose in Policy Eliminates Rebate Charges

INDIANAPOLIS—The American Motorists may write compensation in Indiana on a participating basis, according to a ruling given Commissioner Viehmann by Attorney-general Beamer. The attorney-general also ruled that the insurance department has jurisdiction over the contents of compensation policies.

As a number of stock life companies write participating policies and an Indiana stock fire company, the Merchants of Indianapolis, pays dividends to policyholders and because the North America recently amended its charter to permit the writing of such policies, the insurance commissioner and the attorney-general felt the need of great care in formulating a definite position for the department to take at this time. For that reason the opinion of the attorney-general has covered the proposition very completely. Whether the payment of dividends to policyholders should be deemed a rebate was carefully considered, the final conclusion as stated in the ruling being:

#### Does Not Violate Provisions

"Issuance of the participating policy of the American Motorists does not, in my opinion, violate the provisions relating to rates or discrimination of either the Indiana workmen's compensation rating bureau law or the Indiana insurance law."

To avoid being classed as a rebate it was held that the purpose of a company to issue participating policies must be stated in the policy contract. That of the company in question carries this statement: "This policy shall participate in profits, as apportioned by the directors."

The ruling intimated that, if it were held that the American Motorists could not issue participating policies, the question would be raised as to the authority of stock life companies to issue such policies.

#### Laws Silent on Subject

"Mutuals and reciprocals would appear to be in a class by themselves, so also the nature of life insurance is such that a participating policy might seem justified," the ruling continues, "but why stock companies generally, irrespective of the type of insurance written, may

(CONTINUED ON PAGE 42)

## Urges Cities to Recognize All Claims and to Insure

DETROIT—Municipalities were advised to abandon the old theory of reliance upon the defense of governmental function against damage suits brought against them and to carry public liability insurance with sound companies at a conference of the Michigan Municipal Attorneys Association.

The consensus of attorneys present was that the old theory deprives the public of its right to recover for injuries or damage suffered by reason of fault or neglect of municipalities, for which they should be compensated. The defense of governmental function was characterized as "heartless." The attorneys feel that an individual should have the same right to collect from a municipality as from an individual or a corporation under similar circumstances.

To avoid legal conflict, they urged that the municipalities insist that insurers waive the governmental function defense in their policies.

## N. Y. Glaziers Back to Work; Parleys with Insurers Held

NEW YORK—After two weeks' "stoppage of work," glaziers throughout the New York metropolitan area went back to work last Friday, presumably satisfied with the result of conference of their representatives with officials and departmental managers of plate glass insurers. The glaziers contended the insurers were not holding to their agreement to employ only union glaziers. This the insurance spokesmen denied.

To the further allegation that non-union labor was employed in replacing broken automobile windshields, the plate glass underwriters pointed out they had nothing to do with such claims. That is the province of automobile insurers. The sign painters, linked with the glaziers in the "stoppage of work," contended that sign painting on glass replacements has been done by non-union labor, and for this they held the insurance men mainly responsible. The insurance spokesmen said that most such claims are paid to the assured in cash and he arranges for the work to be done.

While the glaziers hotly resented the statement that a considerable number of expensive plate glass losses developed during the "stoppage of work" period, with the implication that it was a curious coincidence, at least, it is a fact that the police captured a racketeer in Brooklyn a few days ago, charged with window smashing, and are now holding him for trial.

## Variety of Changes in Burglary Manual

NEW YORK—The National Bureau of Casualty & Surety Underwriters has made a number of changes in rates and rules in the burglary manual. Most of the changes became effective Monday of this week.

A new low rated territory has been set up for the popular storekeepers burglary and robbery policy. The charge in this new territory 5 is \$25, compared with \$30 in territory 4. The new territory comprises all Louisiana and Wisconsin, Illinois except Cook and St. Clair counties, Kansas except Johnson and Wyandotte counties, Minnesota except Hennepin and Ramsey counties, New Jersey except Atlantic, Bergen, Camden, Essex, Mercer and Passaic counties, New York, except Bronx, New York, Kings, Queens, Richmond and Erie counties, Ohio except Lucas, Cuyahoga, Mahoning, Franklin, Hamilton, Montgomery and Summit counties and Pennsylvania except Allegheny and Philadelphia counties.

#### Several Rate Reductions

There were several shifts among the larger cities, mostly bringing about reductions in the storekeepers premiums. Lake county, Indiana, has been moved from territory 1 to 2; Polk county, Iowa, 2 to 4; Minneapolis and St. Paul, 1 to 2; St. Louis, 1 to 2; Brooklyn, 1 to 3; Queens, 2 to 4, and Mahoning county, Ohio, 1 to 3. On the increase side, New York county (Manhattan) and Norfolk, Virginia, have been moved from territory 2 to 1.

The prohibition of insuring money, securities and jewelry with other personal property in storage warehouses under the residence burglary policy has been removed.

#### Experience Rates on Term Policies

The new rules also remove the prohibition of three year coverage on policies subject to experience rating. This requires 50 or more locations, or at least 10 locations with an annual manual pre-

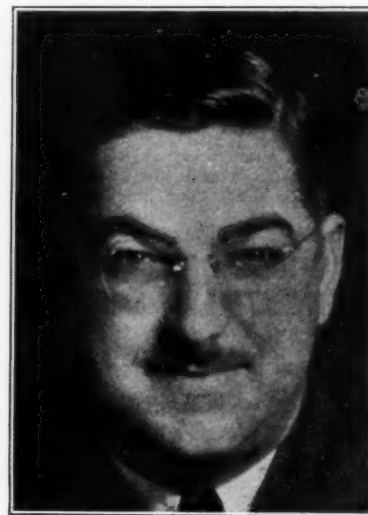
(CONTINUED ON PAGE 42)

## Map Program for Adjusters Parley

### Dallas Speakers Include C. S. Miller, J. R. Plummer, E. J. Mannie

A number of features have already been arranged for the program at the annual convention of the National Association Independent Insurance Adjusters at the Baker hotel, Dallas, May 12-14.

Among the speakers will be C. S. Miller of Whitney & Miller, independent adjusters of Chicago, on aviation in-



J. R. PLUMMER

surance; Wilson W. Brooks, Jr., Marine Office of America, Houston; J. R. Plummer, president Commercial Standard of Fort Worth; E. J. Mannie of the Lloyd Caldwell Corporation Claims Service of San Antonio and J. D. Buckalew, independent adjuster of Fort Worth.

C. E. DeWitt of Dallas is chairman of the convention committee. He is assisted by Mr. Mannie, L. M. Kizer of Waco and J. W. Gainer of Austin. They are making arrangements for a hearty Texas reception.

Plans are being made to organize three sections within the association—one for fire and allied lines, one for casualty and allied lines and another for miscellaneous lines.

Ross Whitney of Whitney & Miller, Chicago, vice-president of the National association, is in charge of setting up the section on fire and allied lines. His committee consists of Harry Nurnberg, Milwaukee; George H. White, Marion, Ind.; John A. Hoffman, Newark, and W. H. Moore of Wichita, executive secretary of the National association.

C. A. Moore of Springfield, Ill., vice-president in charge of casualty and allied lines, is in charge of the formation of that section, the committee consisting of Robert Denton, Fort Wayne, Ind.; Messrs. Kizer and Gainer, Henry Dimling of Los Angeles and E. A. Thayer of Cleveland.

The miscellaneous lines section is being organized under the guidance of Mr. DeWitt.

One of the features of the meeting will be the showing of the film displaying various methods of setting fire to an automobile.

The Texas Association of Independent Insurance Adjusters has arranged a stag smoker and dinner the first evening.

The evening of May 14 there will be a festive dinner with entertainment. Governor O'Daniel may attend. Reservations can be made by addressing Mr. DeWitt in the Kirby building, Dallas.

## Compensation Faces Troubled Future

### Agents and Companies Must Meet Challenge, Dorsett Tells Convention

HOLLYWOOD, FLA.—"What is workmen's compensation coming to eventually? It started as work-accident insurance; but it is progressively spreading out into the fields of three other major lines of insurance," J. Dewey Dorsett, casualty department manager of the Association of Casualty & Surety Executives, told the American Association of Insurance General Agents.

"First, practically all compensation laws provide that to be compensable an injury must be incurred 'in the course of' the employment. But as to traveling salesmen, for example, tendency of the courts is more and more to rule they are continuously 'in the course of' their employments. Similarly as to employees using automobiles. Quite commonly it is being held that where employees take work to be done at home, the risks of the road, going and coming, are covered.

"Second, to be compensable under our laws generally an injury must 'arise out of' the employment. But the courts have injected the principle that the employer takes the employee 'as is,' with all his weaknesses, with the consequence that where a trifling jolt, stub of the toe, or rap of the knuckles activates, accelerates or aggravates a pre-existing disease or predisposition to disease the results of such disease or predisposition are an injury 'arising out of' the employment.

#### Accident Increases Meaning

"Third, at the start of compensation legislation it was generally provided that to be compensable an injury must be 'by accident.' But courts have been progressively construing 'accident' to mean more and more. Where a workman with a bad heart fell dead from the mere exertion of mounting a short flight of steps, it has been held to be an accident. A compensation commissioner some years ago publicly expressed the opinion that in his state alone there had been more awards for hernia than there had been cases of truly accidental hernia in the history of medicine. It is generally agreed that the compensation law should cover 'occupational diseases' in addition to 'injuries by accident.' There is a widespread disposition, which has prevailed in some recent legislation, to refrain from defining what is meant by 'occupational diseases' or to define the meaning so vaguely as to have no clear limitations, and to leave all medical questions of fact to be decided by laymen."

#### Becoming Unemployment Cover

Mr. Dorsett sees compensation reaching into the field of unemployment insurance, as witness the difficulty of stopping compensation payments when workmen really cured of their injuries have no jobs to return to.

(CONTINUED ON PAGE 42)

## Casualty Premiums Show Good Gain in Washington

SEATTLE—Casualty net premiums in Washington in 1940 increased to \$15,424,960, a gain over 1939 of \$1,869,413. The loss ratio was 35 percent, about 1/2 of 1 percent better than in 1939. The United Pacific led the field with total net premiums of \$1,196,870 and a 38.4 percent loss ratio.

Automobile liability premiums for all companies aggregated \$4,831,635 and losses were \$1,679,387, a ratio of 34.6. Property damage premiums were \$1,666,812 and losses paid \$706,800, ratio 42.5.



## CASUALTY NET PREMIUMS AND PAID LOSSES IN 1940 IN MISSOURI

	Total		Auto. Liab.		Other Liab.		Work. Comp.		Fidelity-Surety		Plate Glass		Burglary-Theft		Prop. D. & Coll.	
	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses
Acci. & Cas.	29,633	3,148	15,392	806	3,486	250	4,985	598	257	1,230	382	590	.....	.....	3,476	1,111
Aetna Cas.	698,266	105,619	190,798	54,194	133,826	25,558	166,070	82,816	113,825	66,697	9,712	3,130	33,306	2,958	43,023	19,659
Aetna Life	279,045	148,946	.....	.....	116	1,000	202	480	.....	.....	.....	.....	.....	.....	.....	.....
Allied Mut.	23,921	2,550	2,856	.....	.....	.....	.....	.....	11,890	1,037	511	122	5,119	508	2,162	571
Allstate	77,706	33,606	64,242	28,280	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	13,564	5,326
Amer. Auto.	1,098,401	503,344	890,894	388,564	.....	.....	23,118	6,804	.....	.....	.....	.....	.....	.....	184,388	107,976
Amer. Employers.	42,968	14,297	10,560	1,110	13,369	1,534	10,212	5,064	1,982	5,828	1,172	81	2,609	15	2,827	663
Amer. Fid. & Cas.	195,958	122,825	158,352	90,448	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	37,607	32,377
Amer. Guar. & Liab.	625	.....	.....	.....	.....	.....	.....	.....	342	.....	.....	.....	.....	.....	.....	.....
Amer. Indem.	112,234	51,747	80,742	35,378	2,676	15	.....	.....	.....	.....	4,018	650	5,638	846	20,795	13,767
Amer. Motor. Ill.	35,818	37,161	16,596	26,034	2,464	155	11,258	4,730	371	24	.....	28	129	4,587	6,084	.....
Amer. Mut. Liab.	622,646	327,417	52,340	28,916	110,428	51,442	433,512	232,689	7,524	2,967	146	40	1,606	.....	17,088	11,362
Amer. Reins.	47,926	25,751	9,144	2,599	5,322	.....	6,063	782	23,214	21,880	8	.....	2,762	490	673	.....
Amer. Surety	219,904	86,148	19,947	19,108	27,693	10,467	11,118	4,935	140,394	38,375	3,575	927	12,324	9,535	4,853	2,802
Arex Indem.	7,934	1,166	1,262	.....	879	.....	4,978	1,038	.....	.....	.....	.....	532	92	282	36
Assoc. Indem.	23,330	31,370	691	12,700	1,349	2,398	20,950	15,097	50	.....	152	158	36	.....	102	1,016
Atlantic	46,480	9,118	42,428	6,786	142	.....	.....	.....	.....	.....	3,910	2,332	.....	.....	501	5
Auto. Under. Ia.	1,220	124	346	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bankers Indem.	170,458	75,696	27,556	10,405	53,188	28,347	68,176	27,032	.....	.....	1,941	1,016	8,666	1,306	6,516	3,232
Bituminous Cas.	289,611	116,046	.....	.....	50,884	7,620	434,648	107,980	.....	.....	.....	.....	.....	.....	4,079	444
Car & General.	86,162	35,564	61,760	23,932	3,978	170	4,332	1,370	.....	.....	736	245	966	139	14,390	9,707
Cas. Indem. Exch.	30,056	3,894	.....	30,056	3,894	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cas. Reciprocal Exch.	365,313	199,387	179,205	97,286	16,358	2,588	113,389	67,760	.....	.....	376	157	.....	.....	50,710	30,974
Central Mut. Cas.	169,222	80,328	79,982	37,232	.....	.....	.....	.....	.....	.....	11,656	3,618	.....	.....	44,191	27,725
Central Surety	682,164	244,983	231,909	105,826	109,338	34,064	136,731	56,126	103,318	11,156	18,670	6,490	19,768	8,636	61,881	30,534
Century Indem.	72,118	29,308	19,274	6,428	14,630	3,072	19,189	13,102	5,779	1,680	841	2,454	1,375	4,546	1,381	.....
Columbia Cas.	102,500	38,446	7,323	5,704	28,998	4,086	29,470	19,908	9,303	2,868	2,020	438	2,770	903	5,192	.....
Commercial Cas.	77,558	44,788	17,727	11,812	7,042	1,322	462	55	8,217	1,642	2,204	1,487	4,324	4,386	2,309	1,745
Commercial Stand.	215,642	133,444	134,484	86,359	7,426	7,405	23,558	18,467	.....	.....	2,280	1,232	5,002	2,240	39,806	17,678
Cont. Cas.	640,204	323,388	79,811	32,161	42,703	16,955	72,626	25,013	30,088	20,195	4,149	1,797	14,402	2,944	19,126	7,087
Consolidated Und.	1,031,104	458,453	235,840	101,821	89,262	22,544	550,598	241,308	.....	.....	.....	.....	.....	.....	101,468	41,604
Cooperative Cas.	30,937	17,239	13,331	10,476	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	11,573	5,771
Eagle Indem.	57,970	35,528	12,428	8,808	20,402	14,681	11,369	9,801	2,771	—446	3,555	648	1,796	39	2,947	1,261
Employ. Cas.	169,322	67,323	87,733	37,990	22,646	7,234	15,442	5,928	.....	.....	7,391	2,606	1,901	298	23,951	13,252
Employ. Liab.	264,914	117,758	26,349	6,777	55,128	20,366	147,604	70,932	5,624	5,150	5,843	1,059	12,508	2,284	6,313	3,386
Employ. Mut. Cas.	61,879	32,998	11,011	10,768	12,242	2,556	32,108	17,112	.....	.....	1,568	561	.....	.....	4,020	1,848
**Employ. Mut. Liab.	770,983	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Employ. Reins.	368,004	118,764	209,016	68,295	39,658	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Equity Mut.	284,064	133,313	130,548	64,536	13,761	6,995	29,664	25,416	38,996	211	152	.....	8,394	24	10,244	11,974
Excess	21,310	3,053	10,811	2,868	684	.....	58,012	38,839	800	202	1,087	718	1,115	519	77,771	36,416
Farmers Auto. Cal.	251,866	117,884	101,734	49,510	.....	.....	4,323	.....	3,310	.....	.....	.....	15	.....	2,157	150
Factory Mut. Liab.	5,944	378	4,434	110	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	106,700	52,623
Farm. Mut. A. Wis.	29,179	8,646	10,317	153	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1,499	268
Fidelity & Cas.	640,984	236,722	142,572	91,478	122,446	32,540	143,565	103,452	98,746	10,338	21,034	7,654	32,934	8,786	34,479	16,085
Fidelity & Deposit.	388,866	63,896	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Fireman's Fund Ind.	78,821	43,044	15,533	9,533	18,942	15,014	24,680	13,805	7,798	59	2,117	824	2,609	853	3,996	1,722
General Acci.	264,574	72,941	65,844	16,150	86,424	23,352	50,318	13,404	.....	.....	8,518	3,576	10,680	270	14,929	8,002
General Cas. Seattle.	54,208	1,772	24,212	929	15,532	106	.....	.....	.....	.....	1,584	97	2,686	.....	5,622	629
Gen. Ind. Exch.	87,355	29,802	42,177	16,918	11,902	351	14,071	4,350	.....	.....	.....	.....	.....	.....	14,023	6,740
General Reins.	82,914	73,014	19,924	7,598	9,948	32,500	6,179	362	25,575	21,452	192	.....	.....	1,436	1,130	.....
Glens Falls Indem.	42,205	9,716	8,250	3,874	13,288	419	6,346	2,092	2,048	—191	2,553	168	2,816	10	2,389	1,382
Globe Indem.	238,156	89,866	78,038	32,626	41,540	15,390	52,365	31,588	24,126	—1,694	2,462	958	8,854	719	20,346	9,236
Great Amer. Indem.	143,943	76,211	15,094	9,832	44,148	16,212	46,056	22,972	16,782	15,894	2,645	1,497	8,479	2,942	4,350	2,468
Great Central Mut.	6,422	1,799	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Guar. of No. Amer.	4,176	.....	.....	.....	.....	.....	.....	.....	4,176	.....	.....	.....	.....	.....	.....	.....
Hdwe. Mut. Cas.	307,738	151,317	150,535	70,274	28,713	8,041	68,234	42,882	.....	.....	6,199	2,127	4,716	977	49,240	27,016
Hartford Acci.	1,263,628	523,669	257,701	111,381	228,648	81,194	459,858	239,150	113,719	14,660	13,888	5,396	62,304	6,886	66,826	38,261
Hawkeye Cas.	34,976	380	22,535	35	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	8,957	317
Home Indem.	51,628	20,970	28,564	14,663	7,664	911	.....	1	4,913	.....	1,858	856	1,594	779	7,124	3,767
Hoosier Cas.	127	.....	79	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	34	.....
Indem. of No. Amer.	96,496	28,864	27,140	19,312	15,020	602	11,012	7,232	16,359	—3,661	3,245	1,594	9,922	87	7,240	2,698
Inland Bonding	7,208	.....	.....	.....	.....	.....	.....	.....	7,208	.....	.....	.....	.....	.....	.....	.....
Iowa Mut. Liab.	4,095	745	1,456	19	309	500	847	54	.....	.....	.....	.....	.....	.....	946	69
Liberty Mut. Mass.	1,108,091	493,404	161,720	53,986												

## (CONT'D FROM PRECEDING PAGE)

	Total	Auto. Liab.	Other Liab.	Work. Comp.	Fidelity-Surety	Plate Glass	Burglary-Theft	Prop. D. & Coll.
	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses	Premia. Losses
Preferred Acci. ....	98,090 24,093	59,688 14,618	10,622 1,340	.....	6,448 —267	1,280 162	2,257 320	13,288 5,192
Protective Ind. ....	5,055 446	3,827 163	212	.....	.....	34	.....	942 282
Public Mut. Cas. ....	92,236 41,347	30,420 35,402	.....	.....	.....	.....	.....	11,816 5,854
Reserve Mut. Cas. ....	628 2,000	.....	.....	.....	612 2,000	17	.....	.....
Royal Indem. ....	329,443 124,448	71,464 30,879	57,930 18,899	126,696 58,252	13,570 4,353	3,631 1,094	7,542 1,243	23,245 9,553
St. Paul Merc.-Indem. ....	190,118 77,017	26,019 8,900	76,140 34,638	42,994 20,434	17,476 5,699	7,616 2,944	10,082 1,308	9,312 3,015
Seaboard Surety ....	25,719 1,786	.....	.....	.....	25,613 1,786	.....	105	.....
Security Mut. Cas. ....	106,950 31,912	13,408 1,301	15,510 524	74,199 29,220	.....	.....	.....	2,729 866
Shelby Mut. Pl. Gl. ....	25,599 13,108	.....	4,666 3,196	.....	.....	20,460 9,912	474	.....
Standard Acci. ....	355,996 193,769	62,246 48,046	63,127 28,438	135,744 72,756	48,805 25,533	3,744 1,078	10,406 3,982	16,021 9,741
Standard Sur. & Cas. ....	21,508 11,782	5,325 397	862	9,906 7,039	4,056 4,076	.....	78 82	1,140 186
State Auto. Mut. ....	35,784 3,561	21,808 1,731	2,607 41	.....	.....	.....	.....	7,063 1,411
State Farm Mut. A. ....	1,059,413 490,568	488,471 229,500	.....	.....	.....	.....	.....	459,354 208,105
Sun Indem. ....	11,351 4,386	6,558 1,152	83	1,140 464	43	34	—41	1,783 2,012
Travelers ....	698,077 481,270	26,167 27,809	46,149 84,357	227,304 129,837	.....	.....	.....	.....
Travelers Indem. ....	695,776 255,663	181,982 68,962	145,756 26,585	225,202 114,078	5,013 5,152	15,875 5,900	44,980 6,244	54,826 22,921
Trinity Universal ....	9,709 25,641	42 12,860	7,228	—318	9,976	.....	.....	8 402
Truck Exch. ....	18,824 3,090	10,310 312	.....	.....	.....	.....	.....	6,676 1,720
Union Auto. Ex. Ill. ....	7,766 1,681	4,576	.....	.....	.....	.....	.....	2,274 788
U. S. Cas. ....	199,182 55,074	47,948 25,347	54,760 27,603	50,641 27,208	4,308 4,456	2,252 9,623	1,544	10,717 7,798
U. S. F. & G. ....	704,252 280,822	86,614 24,248	205,905 66,017	155,367 62,522	168,515 100,184	10,558 3,215	28,550 3,742	26,717 9,699
U. S. Guar. ....	218,919 56,594	79,620 15,200	57,224 26,380	8,940 762	48,428 3,475	5,612 2,490	4,902 558	17,953 7,687
Utilities ....	233,774 116,739	124,409 69,689	19,328 6,497	45,684 14,287	.....	.....	.....	44,176 26,181
Virginia Surety ....	1,737 523	1,216 361	.....	.....	.....	.....	.....	521 162
Western Cas. & Sur. ....	608,564 237,786	268,541 96,802	97,527 39,546	110,787 57,111	36,288 2,260	13,828 6,162	9,654 2,008	71,236 27,828
Western Surety, S. D. ....	1,247 —2	.....	.....	.....	1,247 —2	.....	.....	.....
Yorkshire ....	47,091 19,626	18,084 15,576	8,027 1,270	.....	9,138 478	5,524 360	1,172 20	4,655 1,821
Zurich ....	353,628 161,340	56,324 43,042	52,042 15,944	136,445 42,281	.....	602 —49	3,644 96	16,729 8,811

Total, 1940 ..... 30,239,535\* 13,548,490\* 7,297,528 3,171,470 3,124,421 1,113,621 6,094,584 2,977,676 2,075,854 632,934 312,305 116,403 599,369 2,419,798 1,231,293

Total, 1939 ..... 29,681,467\* 12,236,682\* 7,122,728 2,991,385 3,119,698 991,384 6,399,014 2,995,518 2,289,698 703,722 319,934 112,425 711,299 2,321,662 999,264

\*Includes totals in accompanying tables and auto. fire, theft, etc., of full cover companies.

\*\*Complete figures not sent in by clerk at Jefferson City. Premiums not included in the state totals.

## Other Classes of Casualty Business

## ACCIDENT AND HEALTH

	Premia. Losses	Premia. Losses
Accident & Cas. ....	205 53	147,473
Aetna Cas. ....	570	145
Aetna Life ....	278,986	51,022
Amer. Employers ....	145	486
Amer. Hosp. & Life ....	51,022	49
Amer. Motorists ....	486	162,440
Amer. Reins. ....	49	4,413
Amer. Sav. Life ....	162,440	180,462
Bankers Indem. ....	4,413	419,414
Ben. Ry. Employ. ....	180,462	16,844
Business Men's ....	419,414	636
Gen. Cath. Cas. ....	16,844	4,562
Central Surety ....	636	7,935
Century Indem. ....	4,562	79,471
Columbia Cas. ....	7,935	35,168
Columbia Mut. Life ....	79,471	75,778
Commercial Cas. ....	35,168	82,241
Commonwealth L. & A. ....	75,778	4,956
Conn. General ....	82,241	376,301
Continental Assur. ....	4,956	81,162
Cont. Cas. ....	376,301	1,406
Cosmo. L. H. & A. ....	81,162	2,760
Eagle Indem. ....	1,406	280
Employ. Liab. ....	2,760	25,853
Employers Mut. Ben. ....	280	229,916
Employ. Reins. ....	25,853	10
Equit. Life, N. Y. ....	229,916	50,338
Excelsa ....	10	33,918
Federal Life ....	50,338	24,987
Federal L. & C. ....	33,918	47,230
Fidelity & Cas. ....	24,987	3,156
Fidelity H. & A. ....	47,230	25,120
Fireman's Fund Indem. ....	3,156	223,744
General Accident ....	25,120	12,689
General Amer. Life ....	223,744	4,574
General Reins. ....	12,689	4,452
Glens Falls ....	4,574	6,369
Globe Indem. ....	4,452	68,662
Great Amer. Indem. ....	6,369	60,681
Great Northern Life ....	68,662	49
Hartford Accident ....	60,681	10
Hawkeye Cas. ....	49	68,982
Home Indem. ....	10	1,368
Hoodless Cas. ....	68,982	6,182
Illinois Bankers Life ....	1,368	8,160
Illinois Mut. Cas. ....	6,182	26,728
Indem. No. Amer. ....	8,160	23,978
Inter-Ocean Cas. ....	26,728	21,898
Inter-State Bus. Men's ....	23,978	1,398
John Hancock M. ....	21,898	49,090
Kemba Mut. Assn. ....	1,398	1,762
Life & Casualty ....	49,090	5,946
London & Lanc. ....	1,762	2,736
London Guar. ....	5,946	65
Lumberm. Mut. Cas. ....	2,736	67,413
Mitros Cas. ....	65	54,596
Maryland Cas. ....	67,413	26,288
Mass. Bonding ....	54,596	238,968
Mass. Indem. ....	26,288	21,381
Mass. Protect. ....	238,968	754,604
Metropolitan Cas. ....	21,381	408,434
Metropolitan Life ....	754,604	77,617
Missouri Ins. ....	408,434	585,414
Monarch Life ....	77,617	322
Mut. Ben. H. & A. ....	585,414	7,834
Mut. Com. Cas. ....	322	119,355
National A. & H. ....	7,834	335,336
National Cas. ....	119,355	78,739
National L. & A. ....	335,336	3,443
Natl. Protective ....	78,739	81,582
New Amsterdam ....	3,443	3,874
No. Amer. Acci. ....	81,582	41
Northern Life ....	3,874	10,270
Norwich Union ....	41	68,642
Occidental Life ....	10,270	18,629
Ocean Acci. ....	68,642	51,624
Ohio State Life ....	18,629	149,628
Old Amer. Mo. ....	51,624	56,944
Pacific Mut. Life ....	149,628	603
Paul Revere Life ....	56,944	29,477
Phoenix Indem. ....	603	4,504
Postal Life & Cas. ....	29,477	39
Preferred Acci. ....	4,504	133,583
Protective Indem. ....	39	195,630
Prov. L. & A. ....	133,583	24
Prudential ....	195,630	266,516
Pyramid Life ....	24	8,015
Reliance L. & A. ....	266,516	4,119
Reliance Life ....	8,015	476
Royal Indem. ....	4,119	.....
St. Paul Merc. Indem. ....	476	.....

## STEAM BOILER, ENGINE &amp; MACHINERY

	Premia. Losses	Premia. Losses
Aetna Cas. ....	934 471	.....
Amer. Employers ....	188	.....
Amer. Guar. & Liab. ....	282	.....
Amer. Reins. ....	686	.....
Columbia Cas. ....	10,386	641
Cont. Cas. ....	1,000	42
Eagle Indem. ....	1,292	208
Employ. Liab. ....	2,883	6,691
Fidelity & Cas. ....	20,217	1,828
General Acci. ....	2,739	.....
General Cas. Seattle ....	674	.....
General Reins. ....	948	.....
Globe Indem. ....	5,969	10,367
Hartford St. B. ....	102,778	500
London Guar. ....	2,712	339
Lumberm. Mut. Cas. ....	7,448	2,672
Maryland Cas. ....	18,290	25
Mutual Boiler ....	15,649	2,201
Ocean Acci. ....	38,370	.....
Phoenix Indem. ....	47	296
Royal Indem. ....	21,242	1,086
Security Mut. Cas. ....	1,086	22,139
Travelers Indem. ....	22,139	.....

Total, 1940 ..... \$ 279,283 \$ 27,252

Total, 1939 ..... \$ 276,420 \$ 30,619

## CREDIT

	Premia. Losses	Premia. Losses
Amer. Credit Indem. ....	53,362 31,583	.....
Employ. Reins. ....	6,022 3,285	.....
London Guar. ....	31,097 —1,604	.....

Total, 1940 ..... \$ 90,481 \$ 33,264

Total, 1939 ..... \$ 82,631 \$ 19,923

## SPRINKLER LEAKAGE AND WATER DAMAGE

	Premia. Losses	Premia. Losses
Aetna Cas. ....	6,201 1,102	.....
Amer. Reins. ....	200	.....
Conn. Cas. ....	100	67
Indem. No. Amer. ....	372	11
London Guar. ....	114	.....

Total, 1940 ..... \$ 6,987 \$ 1,180

Total, 1939 ..... \$ 6,697 \$ 6,442

## LIVE STOCK

	Premia. Losses	Premia. Losses
Hartford Live Stock ....	13,394 5,410	.....

Total, 1940 ..... \$ 13,394 \$ 5,410

Total, 1939 ..... \$ 11,677 \$ 6,523

## Auto-Owners Celebrates 25th

GRAND RAPIDS, MICH.—More than 1,000 attended the 25th anniversary convention here of the Auto-Owners, Lansing mutual. President V. V. Moulton reviewed the new casualty field developments. R. J. Icks, superintendent casualty section, reported on business written. I. W. York, superintendent of agencies, reported a 9.3 percent increase in premium volume during 1940.

## ACCIDENT AND HEALTH

## More Prospects for Accident Insurance

Accident insurance offers a wider range of prospects than any other line which the local agent has to sell, T. E. Kearns, special agent Hartford Accident, Montgomery, Ala., told the Louisiana Association of Insurance Agents at its annual meeting in Monroe.

## More Need Income Protection

"We can't sell a fire policy on a dwelling unless the prospect owns, or at least has some interest, in a dwelling," he said. "However, if an individual is gainfully employed, he needs income protection. If not, they still need coverage for medical, surgical and hospital bills, and the other added expenses of injury; expenses which, by the way, are constantly increasing. This is an age of specialists. No longer does the family doctor set a broken arm, operate on a fractured skull or amputate a mangled leg; specialists are called in. Modern surgery calls for no guesswork; thus x-rays are plentifully taken. To these must be added such items as operating room charges, anesthetics, oxygen, serums, medicines and the like. These alone are extremely high.

"No matter what other line you may want to sell a man, he can also be sold an accident policy. And the frequency with which losses arise offers you a better chance to be on the 'paying' end rather than the 'collecting' end. One agent recently told me that 40 percent of the policyholders on his books were first on his books as personal accident policyholders.

## Can't Just "Sell a Policy"

"The intelligence of the insurance-buying public has increased by leaps and bounds in recent years. It is no longer possible for an insurance agent to just go out and 'sell a policy,' whether it be automobile, fire, life or accident. The insurance agent of today must analyze the insured's and prospect's needs; see to it that they do not have just a collection of insurance policies, but that they have that particular type of coverage which best fits their needs and which protects them against the maximum losses, financially. Can you think of any greater loss to yourself, or any other person, than total inability ever to work again, due to an accidental injury?

"We do not suggest that you neglect any line in which you now specialize merely to write accident insurance. Rather we suggest the genuine wisdom of using accident insurance to bring more clients to your agency and to in-

crease the average commission from your clients."

## Agent's Attitude Denver Topic

DENVER—A. N. Meyer, former manager of Acacia Mutual Life, now devoting his time to lectures, spoke at the monthly meeting of the Denver Accident & Health Association on the importance of an agent's attitude in connection with his work. If the supervisor's own disposition is not up to par, he said, it makes it impossible for him to bolster the morale of the agent.

## Fowler Addresses Kiwanis Club

C. H. Fowler, Monarch Life, Manchester, president New Hampshire Accident & Health Association, addressed a dinner meeting of the Laconia (N. H.) Kiwanis Club on "The Reduction of Loss from Accident and Sickness." He pointed out the hazards faced by the average man and his family, particularly as respects accidents in the home. Mr. Fowler called attention to the fact that the National Accident & Health Association is interested in accident prevention work being done by various organizations, and in bringing to the attention of the public what the insurance companies are doing to reduce losses from injuries and sickness through accident and health insurance. The meeting was well attended and many questions were asked at the conclusion of the talk.

## Pacific Mutual Veterans Retire

Four employees of the Pacific Mutual Life who had been with the company 25 years or more have retired. They are: W. O. Otis, superintendent accident actuarial and statistical division at the home office, with 37 years service; Miss Isabel Kelsey, renewal department, home office, 28 years; Miss Laura Davidson, underwriter in the railroad department office, Chicago, 40 years, and H. B. McKenzie, supervisor of premium accounts in that office, 25 years.

E. N. Eberle spoke to the Columbus (O.) Accident & Health Association at its monthly meeting.

W. J. McGettigan, manager of the health and accident and claim departments for the Security Life & Accident of Denver was elected a director instead of S. A. Riesenman, superintendent of agencies, as recently reported.

Vincent Cullen, president, and S. G. Drake vice-president of National Surety, have returned to New York after a visit of about 10 days to agencies and branch offices throughout the middle west. They were in Chicago Tuesday and Wednesday.



## *“Prompt Paying Preferred”*

### 50 ÷ YEARS *of* SERVICE

“PROMPT PAYING PREFERRED,” a phrase coined long ago, is a slogan by which this Company is known widely among Agents, Brokers and Policyholders alike.

Now rounding out 56 years of service, the continuing success of the Preferred is built upon a policy of steady, natural growth. Emphasis on intelligent insurance

underwriting, both in the field and home office, and prompt settlement of claims has assured this growth.

That the course the Preferred has followed met the approval of Producers of the highest type throughout the nation, is evidenced by the fact that the mutually profitable relationships between the Company, its Agents and Brokers are usually of many years' standing.

## THE PREFERRED ACCIDENT INSURANCE COMPANY

HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.

EDWIN B. ACKERMAN, *President*

*AUTO    ACCIDENT    BURGLARY    PLATE GLASS    LIABILITY*

## CHANGES

### Hartford Steam Boiler Moves Chicago Office

Hartford Steam Boiler, Chicago, is moving about May 15 from 1753 Insurance Exchange, to 1320, 120 South La Salle street. According to P. M. Murray, manager, the new quarters will be laid out in model style. The anteroom will be of panelled wood and separated from the working portions of the office. The number of private offices will be increased and the stenographic department will be placed in a separate room to minimize noise. Modern lighting, ventilation, and sound-proofing will be installed to idealize service facilities and working conditions. Hartford Steam Boiler has been in the Insurance Exchange for the past 12 years.

### Lyall Edleman Now in Wis. for Standard Accident

Lyall Edleman, who has been in the casualty and surety business for 13 years, has now joined Standard Accident as special agent in southern Wisconsin. He has not yet determined where his headquarters shall be. Heretofore, Standard Accident has not had a full time special agent in that field.

Mr. Edleman, since 1936, has been special agent in eastern Iowa for Aetna Casualty. Prior to that he was with Maryland Casualty in Illinois and northern Indiana. He started in the business with the old Federal Surety at Davenport.

### Petrone New Columbus Manager

G. J. Petrone has been named Columbus manager for the Allstate companies, with offices at 8 East Long street. He goes to Columbus from Cleveland.

George W. Smith, graduate of the Aetna Casualty's home office training school, who has been with the Noble agency of Wichita for several months, has joined the company's office in Cleveland.

## COMPENSATION

### Ohio O. D. Law Not Retroactive

Holding that the occupational disease law in Ohio is not retroactive, the state appellate court found that a right of action exists at common law against an employer on account of death allegedly caused by an occupational disease prior to the effective date of the law. The action was brought by a Cincinnati woman against Taxicabs of Cincinnati, Inc. She alleged that through inhaling fumes from automobiles her husband contracted chronic carbon monoxide poisoning which brought about his death Feb. 8, 1939. At the time of his death such poisoning was not one of the occupational diseases compensable under the compensation act. Subse-

quently the act was amended to make all occupational diseases compensable. The taxicab company argued that the claim should fall under the compensation act but the court held otherwise.

### Fix Ore. State Fund Deadline

PORTLAND, ORE.—May 1 is the deadline for Oregon employers to file rejection of the state compensation fund, under a new law passed by the 1941 legislature. Employers who so reject the fund must purchase workmen's compensation insurance by July 1, the date the rejection becomes effective.

Those employers who had previously rejected the state fund may elect to return by filing notice with the industrial accident commission prior to July 1. Oregon agents are making an aggressive drive for compensation business during the so-called "open season."

L. G. Parrott, cashier at Detroit of Travelers, has been granted a leave of absence. Until further notice, the Detroit cashier's department will be under the direction of D. M. Ussher, acting cashier. During Mr. Ussher's stay at Detroit, the Cleveland cashiers' department will be under the direction of D. D. Lobaugh, assistant cashier.

## ASSOCIATIONS

### Burglary Cover Topic of Third Ind. Lecture Series

Frank F. Prange, Indiana branch manager National Surety, speaker in the third series of lectures on casualty and bond coverages, sponsored by the Indiana Casualty & Surety Managers Association, addressed well attended meetings in Fort Wayne, South Bend, Indianapolis and Evansville. He explained the three residence burglary policy forms, comparing their provisions and showing how and under what conditions each is used. At each meeting there was lively discussion of various points raised by questions from the floor. Mr. Prange proved by figures that the need for residence burglary insurance is greater even than for fire insurance, as the number of burglaries and thefts greatly exceeds the number of residence fires.

Some of the questions uncovered additional information as to the treatment of partial jewelry losses, property stolen from insured premises, garages and other outbuildings. In the northern part of the state considerable interest was shown in the extent to which boats

moored at piers and articles in boat houses are covered under the policy. Whether trees, plants and shrubbery, taken from lawns, would be covered evoked considerable discussion.

S. J. Whiteman, of Travelers Indianapolis branch, will speak at the final to be held in the same four cities in April, the dates to be announced later. Other cities in the state are asking that they be included in the program that is being considered for next year, starting probably early next fall.

### Pittsburgh Association Elects

PITTSBURGH—Officers were elected by the Casualty Insurance Association of Pittsburgh Monday. James R. Wilson, Travelers, president, and E. D. Sweet, Massachusetts Bonding, vice-president, were reelected. Walter King, United States Fidelity & Guaranty, becomes secretary-treasurer.

Merle D. Jones, superintendent of the liability department at the home office of Standard Accident, has completed 20 years with the company and was presented a 20-year service pin by Frank Dentz, president of the Ten-Year Club and with a handsome desk set by the employees of the liability department.

**Tailored the way he wants it!**



Your selling job for 1941 will be far easier with Standard's new streamlined Schedule Liability Policy.

In a single "tailored" contract, your prospect now can get more protection than he got with three or four policies in the past.

The prospect simply selects the coverage he desires from the schedule of hazards in the application form. He is issued one, and only one, policy tailored to fit his wants. Gone is

sales resistance to the bother of many policies and special endorsements.

Also Standard's new snap-out forms contain policy, application blanks and carbon paper in prepared sets—make typing of policies easier, and simplify your office work.

Back of this modernizing of time-proved protection is Standard's long record of underwriting leadership.

A Standard field man can tell you more.

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### PAYROLL

### AUDIT SERVICE

### K. L. PEARCE COMPANY

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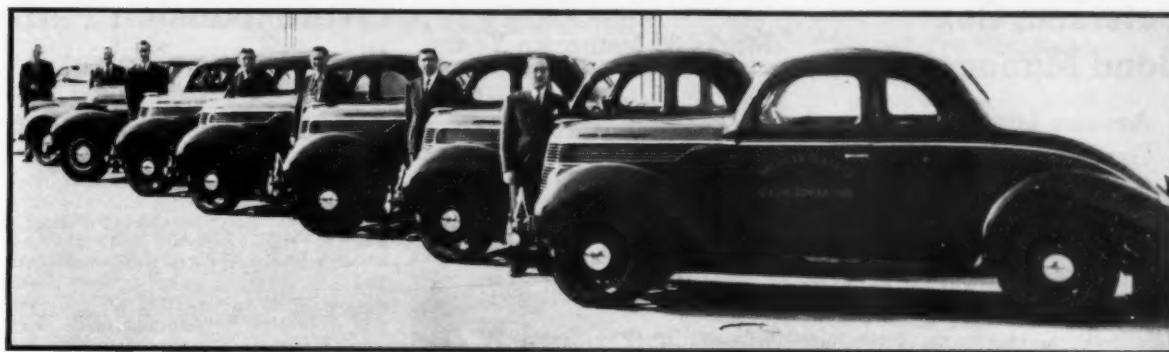
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The American Glass Company maintains a combined fleet of fast, modern trucks and automobiles as an important factor in its reliable and speedy service to your plate glass insurance clients in and near Chicago. All of these vehicles are manned by men with complete plate glass experience.

Because we have concentrated our efforts to help insurance men keep plate glass insurance sold, we understand the *Real Service* so necessary to your assured. Replacements are made a few hours after the insurance company is notified of the loss. We install windows with the least inconvenience to your assured.

We recognize the fact that insurance companies today are the largest buyers of plate glass store fronts and that they do not shop around for *Low Bids*, but rather for immediate replacements by a responsible organization.

*Our outstanding leadership in the Chicago plate glass replacement field is proof of our reliability and speedy service.*

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## Petersen, Cox Bond Managers

### Assume Lunt's Duties at Great American—Bivin to Home Office

NEW YORK—Changes in the head office staff of Great American Indemnity include the designation of Secretaries G. A. Petersen and L. C. Cox as managers of the home office bonding department to handle the duties previously performed by Vice-president E. C. Lunt, who died recently.

At the same time T. H. Bivin, who has been Chicago claim manager, is transferred to the head office, with supervision over bond claims. Each of these men is a lawyer and has been identified with Great American Indemnity for a number of years.

Mr. Petersen after practicing law in New York from 1903-1917, joined the fidelity-surety division of Fidelity & Casualty, of which Mr. Lunt was then vice-president in charge. In 1923, he became assistant secretary of the newly organized Sun Indemnity, of which Mr. Lunt was the first president. When Great American Indemnity was formed in 1926, and Mr. Lunt was elected vice-president in charge of its fidelity and surety division, Mr. Petersen followed his chief, serving as his chief lieutenant until his death. Mr. Petersen profited by the training, and is equipped to carry out the policies of his former leader. He is a former president of the Surety Underwriters Association of New York.

### Cox Started on Coast

A Canadian by birth and an American by adoption, Mr. Cox, following graduation in turn from Toronto and Johns Hopkins universities, was a practicing attorney for several years. He

## Chief of Glass Bureau Marks 30 Insurance Years

John W. Marden, manager of the New York Plate Glass Bureau and the New York Rating Office, is celebrating his 30th year in the insurance business. He started with the New York office of Philadelphia Casualty in the plate glass department, moving over to Globe Indemnity when that company started operations. A year later when United States Casualty opened up a plate glass department he went in as assistant manager, later becoming manager. It was ten years ago that the New York Plate Glass Bureau was organized and he was appointed manager. Subsequently he was also appointed to direct the New York Rating Office.



John W. Marden

joined the Pacific Coast department of Fidelity & Casualty in 1925, subsequently going with the branch office of Indemnity of North America, and transferring to Great American Indemnity in the same territory in 1927 where for five successive years he handled claims. He became manager of bonding claims at the home office in 1932. He is a member of the bar associations of Alberta (Can.), California and New York.

Mr. Bivin's first and only business connection thus far has been with Great American Indemnity, having entered its Cleveland branch in 1929, after graduation from Cleveland law school. He was transferred to Pittsburgh as claim

## Overexpansion Peril Seen in War Boom

### Fear Business May Repeat Mistakes of Last World War

NEW YORK—Some executives whose experience dates back to the last war see in the present defense boom the possibility of repeating the mistakes that were made at that time in the way of over-expansion. They feel that the additional facilities to be provided by companies and particularly by agencies should be of such a nature that they can be brought back to normal proportions when the artificial prosperity is over. There is a feeling that the post-war depression will be severe and that it will not be delayed to anything like the extent that it was following the last war.

So far the tendency toward over-expansion has been held down by the fact that much of the workmen's compensation business on defense projects has gone to the mutuals by reason of the government's insistence on contractors taking advantage of the dividends and by the fact that the government has waived contract bond requirement in many cases and seems strongly inclined towards that policy for all defense work. Considerable expansion in business as an indirect result of the defense activity

manager in 1930, and five years thereafter was made manager of the Chicago claim department.

Orville F. Dennis, who has been connected with the Boston claim office, has been appointed superintendent of the Chicago claims department, taking the place of Mr. Bivin.

is looked for, however. People who have been living on a restricted budget will raise their living standards. In the automobile field, for example, many who have foregone insurance even though they know they should have it will now feel able to afford the coverage.

Over-expansion can be dangerous not only in causing an agency to take on needless amounts of space, equipment and personnel and setting up an organization that cannot be readily brought back into line but in unwise extension of credit. Many of the difficulties that plagued agencies following the 1929 crash were due to their being unable to collect premiums due from supposedly solvent insured. If the volume of these accounts outstanding had been kept down to a reasonable point the strain on agencies not too abundantly buttressed financially might have been much less and many agencies that were forced to the wall or into reorganization might have been able to keep going.

### Promote Gabriel, Kloppenberg

LOS ANGELES—R. W. Gabriel, city special agent Hartford Accident in the branch office here, has been promoted to superintendent of production. Otto Kloppenberg, of the accident and health department was promoted to be city special agent.

### New Chicago Claim Unit

Foster I. Ray has been appointed manager of the newly opened Chicago claim department of St. Paul-Mercury Indemnity. The Chicago office of the St. Paul group has been doubled in the Insurance Exchange building and has been newly furnished.

Mr. Ray started in 1927 with Union Indemnity in Chicago and in 1930 he went with Bankers Indemnity in the claim department. He practiced law at Robinson, Ill., for a time and then became head of the compensation claim department of Employers Mutual Casualty in Chicago.

# Standard Surety & Casualty Company of New York

## Financial Statement—December 31, 1940

### ASSETS

Cash in Banks and Office.....	\$2,137,531.23	
<b>Bonds</b>		
United States Government.....	\$476,502.93	
State and Municipal.....	977,316.39	
Railroad.....	195,165.89	
Public Utilities.....	113,889.79	
Miscellaneous.....	433,136.40	2,196,011.40
<b>Stocks</b>		
Preferred.....	\$265,730.00	
Common.....	690,314.00	956,044.00
Premiums in Course of Collection		
(Not over 90 days).....	732,498.47	
Accrued Interest.....	14,707.03	
All Other Admitted Assets.....	50,248.57	
Total Admitted Assets.....	\$6,087,040.70	

Bonds and Stocks valued on New York Insurance Department Basis. Securities carried at \$359,430.68 in the above statement are deposited in various States as required by law.

### LIABILITIES

Reserves for Claims and Claim		
Expense.....	\$2,067,928.13	
Unearned Premiums.....	1,537,394.60	
Commissions.....	168,398.65	
Other Liabilities.....	123,000.00	\$3,896,721.38
Capital.....	\$1,000,000.00	
Surplus.....	1,190,319.32	
Surplus to Policyholders.....	2,190,319.32	
Total.....	\$6,087,040.70	

On the basis of December 31, 1940, market quotations for all Bonds and Stocks owned, this Company's total Admitted Assets would be \$6,220,442.53 and the Surplus to Policyholders would be \$2,323,721.15.

### GEO. Z. DAY, PRESIDENT

Chas. E. Heath, Vice-Pres. & Sec'y

Fred J. Theen, Ass't Sec'y

W. E. Snyder, Res. Vice-Pres. & Mgr. Bond Dept.

New York Office: 80 John Street

A. J. Couch, Resident Vice-President

Chicago Office: Insurance Exchange Building



## 16 States Approve Defense Class Setup

NEW YORK—Rate deviations in connection with workmen's compensation and employers' liability on defense projects have been approved in 16 states, are pending in six states and have been disapproved in one state. Following is a summary of the situation the middle of this week based on data collected by the National Bureau of Casualty & Surety Underwriters:

Alabama—effective Feb. 19. Graded rate reduction plan approved by Superintendent Julian for stock companies. Effective Feb. 27, on filing made by the National Council, 10 percent reduction in rates approved for non-stock companies. For uniformity the department has extended its approval for stock companies to apply for the same classification definition approved for non-stock companies.

Virginia—effective Feb. 21 the corporation commission approved a 20 percent reduction, with 5 percent maximum acquisition allowance, for stock companies on contracts on a cost-plus-a-fixed-fee basis. The following day the commissioner approved a reduction of 10 percent for certain non-stock companies.

### Reduction in New York

New York—effective March 12. Reduction of 20 percent in rates, with 5 percent maximum acquisition allowance, authorized for all carriers.

New York has authorized rate deviations on automobile insurance of 20 percent for stock companies and 10 percent for mutuals for defense projects.

New Jersey—effective March 24. Reduction not to exceed 20 percent in rates, with 5 percent maximum acquisition allowance, authorized for all carriers, each carrier being required to make its own individual filing with the New Jersey rating bureau.

Georgia—effective March 31. Reduction of 20 percent for all carriers. Maximum acquisition allowance for stock companies, 5 percent.

### Action in Other States

Indiana—effective March 10. Rate reduction of 20 percent, 5 percent maximum acquisition allowance, provided filings are made by individual companies on each specific project and supporting evidence is submitted justifying the reduction.

Florida—(effective March 13); Kentucky—(effective March 20); Michigan—(effective March 19); New Mexico—(effective March 13); Oklahoma—(effective March 24); South Carolina—(effective March 13)—National Council filings in these states approved involving reduction of 20 percent in rates, with 5 percent maximum acquisition allowance for stock companies and 10

percent reduction in rates for non-stock companies.

Colorado, Louisiana, Maine, Maryland—approval granted on filings involving a 20 percent reduction in rates, with 5 percent maximum acquisition allowance, on specific national defense construction projects. If any new defense projects are launched in these states (pending approval of the council filing in Colorado and Maryland), interested companies should get in touch directly with the appropriate rate supervisory authority.

Colorado, Kansas, Maryland, New Hampshire, Tennessee, Texas — Na-

tional Council filings are still pending in these states. They involve a rate reduction of 20 percent, with 5 percent maximum acquisition allowance for stock companies and a 10 percent reduction in rate for non-stock companies. No non-stock company filing has yet been made in Texas.

Missouri—National Council's filing involving a reduction of 20 percent in rate, 5 percent maximum acquisition cost for stock companies and 10 percent reduction in rates for non-stock companies has been disapproved by department.

## Los Angeles Group Studies Competitive Situation

LOS ANGELES—Thorough study of the competitive situation in casualty lines is to be taken up by a committee named by President P. J. Emme of the Casualty Insurance Association of Southern California. The committee consists of M. N. Platt, manager Travelers; Leland Mann, manager Aetna Casualty, and T. N. Michaels, manager Maryland Casualty. It will survey the situation for the past 10 years and present a report for discussion and action.

**"Unforeseen events . . . need not change and shape the course of man's affairs"**



Every Maryland Casualty agent and broker profits by the goodwill and prestige built through The Maryland's "unforeseen events" advertising. This ad—another in the series—appears currently in:

TIME FORTUNE  
NEWSWEEK  
BUSINESS WEEK

## INVITATION TO TROUBLE

When you have an automobile accident you are likely to run into a swarm of difficulties as troublesome as a hornet's nest.

The difficulties are more than simply a crushed fender. More often, the accident is serious enough to require that a bond be furnished . . . the car released from attachment . . . witnesses sought out and interviewed . . . a scale map made of the accident, a photograph taken of the scene.

If the case goes to court, there are attorney's fees, court costs and medical examinations to be paid.

Were you to undertake this yourself you would be obliged to give up time and money worth many times

the cost of insurance. And you would still have to meet, out of your own pocket, any financial responsibility for damage or injury.

How much safer you are to travel under the broad protection of The Maryland! If an accident should befall you anywhere in the United States or Canada, The Maryland shoulders your burden.

A Maryland Service Card in your wallet serves as a guardian of your peace of mind . . . a reminder that you have 10,000 friends—Maryland representatives who can be reached quickly through any telephone or telegraph office . . . a protection against a veritable swarm of annoyances. Maryland Casualty Company, Baltimore.

# THE MARYLAND

The Maryland writes more than 60 forms of Casualty Insurance and Surety Bonds. Over 10,000 Maryland Casualty agents and brokers can help you obtain protection against unforeseen events in business, industry and the home.

**HOSPITALIZATION—ACCIDENT & HEALTH EXECUTIVE-PRODUCER AVAILABLE**  
Are you interested in a man with five years' experience in Hospitalization-accident and health in the administrative and production fields? Experience based on knowledge gained as personal producer and junior executive with one of the large hospitalization-accident and health companies. In position to control sizeable volume of business.  
Address N-14, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

**CONTROLLER AVAILABLE**  
Well qualified accountant and office manager thoroughly experienced in home office and public practice of fire and casualty insurance accounting. Now employed but desirous of connection with more dynamic organization.  
Address N-17, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

**WANTED CHIEF ENGINEER**  
Growing mid-western casualty company has future for experienced man capable of organizing and managing engineering and safety promotion department. Address N-16, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

## COMPANIES

### Standard Surety & Casualty Makes Good Showing in '40

NEW YORK—In 1940 Standard Surety & Casualty increased its premium volume 9.08 percent to \$3,277,788. Casualty lines increased 7.26 percent and fidelity and surety combined 47.29 percent. Loss and expense ratio combined was approximately 97.9 percent. Ratio of losses incurred to earned premiums on all lines combined, exclusive of loss adjustment expenses, was 43.3 percent.

#### Other Statement Figures

Assets amounted to \$6,087,040, and surplus to policyholders, including \$1,000,000 capital, was \$2,190,319. Cash on hand and in banks of \$2,137,531 provides security for claim and claim expense reserves of \$2,067,928. Assets consist primarily of government, state and municipal bonds carried at amortized value of \$2,196,011, and stocks at market values of \$956,044. Unearned premium reserve was \$1,537,394.

### Michigan Promotion Dissolved

LANSING, MICH.—Dissolution of the Northwestern Mutual Casualty company, a carrier which was to have been located here but which never got beyond the promotional stage, has been ordered by the Ingham county circuit court following a final hearing. Signing of the final decree was delayed for 30 days to afford time for discovery of creditors if there are any.

### Hawkeye Casualty to Celebrate

The Hawkeye Casualty will hold a celebration in Des Moines April 23, with about 250 Iowa agents in attendance, in recognition of writing more than \$100,000 in premiums in March, which was

the largest month's business since its organization in 1919.

George Dunlap of Cadiz, O., has been elected chairman of the board of the Farm Bureau Mutual Automobile of Columbus. He succeeds H. C. Fast of Watertown. U. S. Senator Aiken of Vermont spoke at the convention of the group in Columbus.

### General Accident to Move to New Quarters in N. Y.

After 25 years of service from 100 William street, the New York branch of the General Accident is moving to its new office at 99 John street on April 28.

First opened in 1914 in a basement office at 111 William street, the New York branch in 1915 moved to 100 William street and is now making its second move in 27 years.

The progressive reputation of the New York branch received its first impetus with the appointment of John H. Grady as manager in 1920. The steady expansion of the service facilities under the direction of H. R. Graham of the claim department and William Bernhard of the underwriting department has won a large brokerage following.

In 1938 with the appointment of John H. Grady as U. S. attorney, Mr. Bernhard was appointed New York manager and Mr. Graham secretary.

#### Improve Service Facilities

The new offices have been planned to further improve the functioning of broker and agent service. The underwriting department on the ground floor has been so built to give first consideration to the increased accessibility of all key underwriters to agents and brokers. This ground floor office includes executive, new business, renewal, endorsement and production departments for all casualty lines. The 11th floor will house the legal and claim departments, accounts and collection, payroll auditing, safety and inspection, stenographic and policywriting departments, file and supply rooms.

### Expect Changes in Standard Auto Contracts Soon

The expectation now is that the joint committee on revision of the standard automobile policies will bring out amended contracts some time prior to June 1 and that most of the companies will make these contracts effective July 1. There will be a new standard automobile third party contract, a new standard physical damage policy and a standard full cover automobile contract.

The latter contract will be an innovation. It has been the subject of extended conferences between representatives of the casualty and fire companies. Each side has had to make concessions in order to arrive at provisions suitable for both interests. The principal difference to be composed has been the cancellation clause. The casualty companies and the fire companies have had a different clause for years and to devise one that would do for both has been quite an undertaking.

#### To Change Comprehensive Form

When these contracts are brought out, it will be necessary to make corresponding changes in the comprehensive automobile policy.

It is understood that although extensive changes will be made in the wording of the standard policies, in the interests of clarity, there will be very little actual change in coverage.

### S. ALEXANDER BELL

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# HEAR YE! HEAR YE! HEAR YE!

No. 21941

TITIUS vs WARY et al

"We the jury, find the defendant, O. B. Wary, owner of the Semaphore Tavern, and A. M. Biguous, owner of the building, 'Guilty,' and assess the plaintiff's damages in the sum of \$12,500 and costs."

### THE ILLINOIS DRAM SHOP ACT

MAY BE THE CAUSE OF

FINANCIAL RUIN

TO EVERY TAVERN KEEPER

AND THE OWNER OF EVERY BUILDING IN WHICH LIQUOR IS SERVED, WHETHER IT BE TAVERN, CLUB OR RESTAURANT.

THE ONLY PROTECTION IS INSURANCE

FOR PARTICULARS

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VINCENT CULLEN  
President

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Direct contracts available for conservative  
and successful agents in Illinois, Indiana,  
Iowa, Missouri, Ohio, Nebraska, Colorado,  
Oklahoma, Kansas, Tennessee and Texas



## LEGISLATION

**Maine**—The judiciary committee has reported adversely on a compulsory automobile liability bill and has given a favorable report on a financial responsibility bill patterned after the New Hampshire law.

The judiciary committee reported unanimously against a bill which would make the compensation act compulsory for all employers of four or more persons.

**New Hampshire**—The senate has amended an administration bill revising the financial responsibility law and has sent it to the house for concurrence. The measure exempts innocent parties in accidents from suffering the penalties of the law. If a motorist involved in an accident can show proof to the commissioner that he neither caused nor contributed to the cause of an accident involving personal injury or property damage of more than \$25, he will not be compelled to furnish proof of financial responsibility. The senate struck out the provision "beyond reasonable doubt."

**Rhode Island**—Senator Chaffee has introduced a resolution calling for the investigation of surety companies and the establishment of a uniform performance bond for public employees.

The house has passed a bill increasing medical, dental and hospital compensation benefits. Maximum medical and dental allowances are raised from \$200 to \$300 and hospitalization allowance from \$250 to \$500. Daily hospitalization would be \$4.50 instead of \$3.

**Wisconsin**—Assemblyman Hilker has introduced a state compensation fund bill.

**Pennsylvania**—A new house bill extends occupational disease coverage to include ailments due to bacterial or parasitic agents with which workers come in direct contact. Other bills per-

mit common law actions in cases of partial disability due to occupational disease and generally revise and amend the 1915 compensation law.

**Massachusetts**—The insurance committee heard arguments in favor of a bill to allow companies writing accident and health lines to write medical, surgical and hospital expenses coverage on families. There was no opposition. Commissioner Harrington favored the bill.

**Colorado**—A bill was passed permitting truck companies to put up surety instead of cash bonds guaranteeing payment of road taxes.

The bill requiring liquor dealers to post a \$650 forfeiture bond and abolishing the present \$1,000 and \$1,500 was passed and is now in conference.

Compensation claims not made within six months time of the injury are outlawed by a measure which passed.

A bill was passed tightening the law regulating mutual liability companies, and requiring each company to post a \$75,000 bond with the state insurance department.

**Ohio**—The house has passed the Mahoney bill, which sets up the machinery for the organization of medical care associations in Ohio. Associations must be approved by the superintendent of insurance, who will have general supervisory powers. Medical care privileges would be limited to families with an income of \$2,400 a year or less and unmarried persons with an income of \$1,800 a year or less.

**Kansas**—Senate bills repealing the automobile guest law and providing for minimum insurance requirements for motor carriers were killed.

**Michigan**—A compulsory automobile liability bill has been introduced in the Michigan senate. It apparently has no organized support. Another senate bill amends the present law relating to bringing suit against non-residents in traffic accident cases by specifically providing that death of a non-resident would not operate to revoke the ap-

pointment of the secretary of state as agent and that actions growing out of any accident might be pressed against the estate of a decedent non-resident motorist involved.

Recent labor disputes are expected to curtail support for the labor-backed compensation bill. The bill eliminating present occupational disease schedule and making benefits applicable to all ailments has been reported to the floor. Some consideration was given to amendments. Further changes are expected before a vote is taken.

## PERSONALS

**R. G. Waters**, former casualty commissioner of Texas, is now able to get about with a cane following an automobile accident several weeks ago. Mr. and Mrs. Waters, together with a Dallas attorney, J. H. Neel, were crossing Main street in Houston when they were struck by an automobile driven by a 15-year-old boy who did not see them. Mr. Waters suffered a broken foot and his right arm was smashed. Mr. Neel suffered a broken leg. Mrs. Waters was badly bruised.

**H. Porter Fones** was honored at a meeting in the Kansas City office of the Aetna Casualty, when he was given a bronze plaque in recognition of 25 years with the company. He has been in the casualty and surety field nearly 40 years. He was secretary of the surety company organized by the Commerce Trust of Kansas City and made a notable record in the liquidation of that company when its owners decided to retire it from the field.

**W. M. Walker**, of Los Angeles, vice-president of Fidelity & Deposit, has rounded out 25 years with the company, all in the Los Angeles office. The event was fittingly celebrated by the office staff. Telegrams and letters were re-

ceived from the home office and from many insurance friends. He entered insurance work in Los Angeles with the American Surety, and also was with the Globe Indemnity before joining F. & D. as assistant manager in Los Angeles in 1916. He became manager there and later was elected a vice-president. He is regarded as the dean of surety men in southern California.

## DEATHS

**J. E. Browder**, 61, safety engineer manager in the workmen's compensation department of the Pacific Employers, died in Los Angeles. He also was a director of the Victor Montgomery general agency. After service in the Philippines during the Spanish War and with the Boxer rebellion rescue force in China, he was with the workmen's compensation rating bureau in New York and Pennsylvania. He returned to California in 1918 and joined the California Rating Bureau, leaving it in 1928.

**W. M. Hubbell**, claims manager in Spokane, Wash., for the C. B. DeMille General Agency died there. Before joining the DeMille office five years ago, he was postmaster of Spokane for eight years. He was at one time adjuster for General Accident in Spokane.

**H. M. Howitt**, 58, secretary of General Casualty, Madison, Wis., died at a hospital there. He had been in the insurance business in Madison for many years.

### Wilkins Shifted to Texas

**ALBUQUERQUE, N. M.** — **R. A. Wilkins**, safety engineer and payroll auditor of the United States Fidelity & Guaranty here, has been transferred to Harlingen, Tex. He is succeeded here by John W. Sunkel.

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# GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

Items from Financial Statement of December 31, 1940:

CAPITAL . . . . .	\$1,000,000.00
SURPLUS . . . . .	6,000,000.00
VOLUNTARY RESERVE . . . . .	119,155.92
LOSS RESERVE . . . . .	7,109,231.83
PREMIUM RESERVE . . . . .	2,147,806.15
ALL OTHER LIABILITIES . . . . .	916,415.68

TOTAL ADMITTED ASSETS . . \$17,292,609.58

Securities carried at \$1,208,584.91 are deposited in accordance with law.

*Casualty—Fidelity—Surety*

## Casualty Leaders in Missouri

	1940 Prem.	1939 Prem.	1938 Prem.	1937 Prem.
1. Hartford Acci. ....	\$1,263,628	\$1,374,158	\$1,412,445	\$1,448,583
2. Liberty Mutual .....	1,108,091	968,056	878,827	1,017,442
3. American Auto. ....	1,098,401	1,141,747	1,202,414	1,383,725
4. State Farm Mut., Ill. ....	1,059,413	965,036	828,762	732,875
State Farm Life .....	1,660	2,167	3,056	3,066
5. Consolidated Und. ....	1,031,104	1,071,522	1,077,463	1,122,853
6. Maryland Casualty .....	871,068	908,479	993,817	1,048,012
7. Missouri Auto. Club .....	831,374	741,014	674,261	650,194
8. Employers Mut. Liab. ....	770,983	734,167	528,715	548,805
9. Metropolitan Life .....	754,604	634,529	580,469	608,499
10. U. S. F. & G. ....	704,252	761,129	637,830	702,257
11. Aetna Cas. ....	698,266	651,454	680,954	812,141
Aetna Life .....	279,045	259,707	221,411	230,581
12. Travelers .....	698,077	689,279	1,089,182	1,366,432
13. Travelers Indemnity .....	695,776	715,324	308,733	196,875
14. Central Surety .....	682,164	611,319	622,457	553,086
15. Fidelity & Cas. ....	640,984	667,618	718,451	774,763
16. Continental Cas. ....	640,204	578,725	474,251	423,273
National Cas. ....	138,250	113,296	97,318	100,349
Continental Assur. ....	4,956	4,576	3,803	3,095
17. Am. Mut. Liab. ....	622,646	639,001	692,985	874,619
18. Western Cas. & Sur. ....	608,564	560,650	672,428	571,373
19. Mut. Ben. H. & A. ....	585,414	537,436	466,380	412,830
United Ben. Life .....	7,544	4,965	3,353	1,846
20. Mass. Bonding .....	493,716	531,787	519,649	534,983

## Explain Bay State Law on U. S. Head

BOSTON—No insurer of a foreign country entered in Massachusetts, except Pearl, will be affected by the decision of the United States Circuit Court of Appeals in Boston to the effect that the United States manager of such a company must be a citizen of the United States to comply with the Massachusetts statutes.

Justice Frankfurter, who presided at the court rendering the decision, called attention to the fact that Massachusetts had had a law since 1878 requiring foreign insurers to deposit funds with an officer of the state and with "trustees" or corporations of the United States.

The law requiring United States "managers" to be citizens was brought into the Massachusetts law on the codification of the insurance laws which went into effect Jan. 1, 1920. The law was not retroactive and does not apply to any company of a foreign country entered in Massachusetts before 1920, regardless of whether a non-citizen should become U. S. manager after that date.

Royal, North British, Yorkshire, Royal Exchange and possibly other companies whose U. S. managers are not citizens, were entered in Massachusetts before 1920 and therefore do not fall under the interpreted provisions of the law. Car & General of the Royal Exchange group entered Massachusetts later than 1920, and hence E. W. Elwell, U. S. manager of Royal Exchange, is not serving in the same capacity for Car & General, Arthur Waller being the manager.

Pearl, it is understood, will make an appeal to the full bench of the United States Supreme Court.

### Additional Iowa Figures

Figures of Home Mutual of Des Moines have now become available and should be added to the Iowa casualty experience as printed in the April 3 edition. Iowa premiums of Home Mutual, excluding fire, tornado and extended

cover, last year amounted to \$335,659 and losses \$151,793. That increases the total premiums in Iowa to \$19,152,279 and total losses to \$7,580,902. Auto liability premiums were \$143,808 and losses \$68,676; auto P. D. \$59,829 and \$31,591; auto collision \$59,829 and \$31,591; auto fire \$15,276 and \$4,270; auto theft \$12,221 and \$2,995; auto tornado \$3,055 and \$529; cargo \$5,172 and \$1,719; auto comprehensive \$16,048 and \$6,719 and medical reimbursement \$3,719 and \$40.

## Continue Wash. Assigned Risk Plan Another Year

SEATTLE—The Washington Assigned Risk Plan, which was launched last January, will be continued for at least another year, it was determined at the first annual meeting here. All carriers writing auto liability and property damage licensed in the state participate in the plan. When it was launched, member companies agreed to enter into the arrangement on a trial basis until March 31, the date set for the annual meeting.

After hearing the report of B. K. Campbell, manager, the members voted unanimously to continue its operation until April 1, 1942. The governing committee was reelected, including J. W. Gowdy, Northwest Casualty, chairman; G. W. Rourke, Aetna Casualty; R. L. Noble, Lumbermen's Mutual Casualty; Lyle Sizer, State Farm Mutual, and Dent Reed, Farmers Automobile Inter-Insurance Exchange.

### Execute \$1,310,015 Bond

LOS ANGELES—Pacific Indemnity executed a bond for the Ford J. Twaits Co., on its contract to build 170 barracks buildings at Mather Field, Cal., at a price of \$1,310,015. The bond runs to the war department and is 50 percent performance and 40 percent payment.

### Cal. Adjusters Joint Meetings

LOS ANGELES—Casualty Insurance Adjusters Association of Southern Cali-

fornia and the similar organization in northern California have arranged to hold joint meetings at intervals throughout the year to discuss problems pertinent to both. The Los Angeles adjusters plan to go to San Francisco shortly for the initial meeting.

### Michener Indiana Manager

World of Omaha has appointed W. E. Michener state agent for Indiana with headquarters at Indianapolis.

### Central Surety Burglary Premiums

In our tabulation of premiums and losses for the State of Illinois in the March 13 issue, we inadvertently omitted the burglary premiums for Central Surety. They amounted to \$14,875.

### Ramsett Heads Auto Department

NEW YORK—C. A. Ramsett has been appointed assistant secretary of Home Indemnity in charge of the

automobile department. He has been with the company since 1930. Previously for nine years he was with London Guarantee & Accident, which he joined after graduation from the University of Wisconsin.

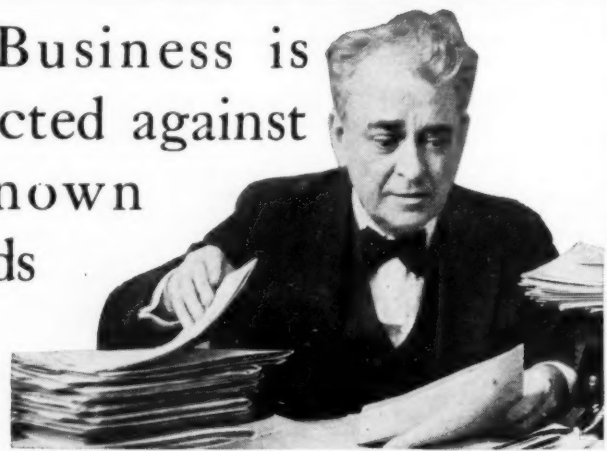
### Herbert & Son Get A. & C.

NEW YORK—Fred W. Herbert & Son have been appointed by the Accident & Casualty as borough agents for the Bronx. The members of the firm have been figures in agency circles here for years, the business having been established by Charles Herbert in 1880. His son, Fred W., entered the firm in 1892, being joined 20 years later by Charles F., grandson of the founder.

### K. C. and Dallas Win Awards

The National Safety Council's safety contest was won by Kansas City, Mo., and Dallas, Tex. Kansas City won the grand award last year. It had 24 traffic deaths, compared with 32.

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hazards



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Reserve for Losses .....	4,594,168.33
All Other Liabilities .....	2,999,879.26
<b>TOTAL ADMITTED ASSETS .....</b>	<b>15,020,484.83</b>

NOTE: Securities carried at \$355,312.50 in the above statement are deposited as required by law.

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## Edmondson Heads General Agents Body

(CONTINUED FROM PAGE 1)

TNEC report and stated that while he did not think it necessary the fire and casualty business could easily stand close scrutiny. He also made a few terse remarks on the participating plan of insurance.

President Scruggs opened the convention and vacated the chair to Vice-president Seibels, while his report was read. The report of Secretary Stebbins was also given.

### Novel Feature Presented

Mr. Edmondson provided a novel feature in the form of a sermon by the Rev. Marshall Woodson, pastor of the First Presbyterian Church of Tampa. Speaking to insurance men whom he knew to be producers the pastor stated that his business was that of a character producer. He stated that successful business men required ability, personality and character and it was on the latter quality that he dwelt.

Hunter Lyon of Miami welcomed the delegates to Florida. L. B. Daniel of San Francisco responded to the welcome and augmented his remarks by calling Phil Richards in a duo that contained a pleasing tie-up between Florida and California that would ruin the radio comedian's trite gag about the rivalry of the two states.

A. E. Gilbert, vice-president of Hanover, replaced Mr. Smith on the Wednesday morning program.

Claude Patterson, manager, of the Auto Underwriters Detective Bureau of Atlanta, gave a movie-talkie illustrated talk on "Automobile Fire" to close the first session.

### Reports of Committees

Reports of the various committee chairmen were given Tuesday morning. Following these reports a quartet of outstanding speakers were heard in varied topics of current interest. Brig. Gen. C. L. Tinker, commanding general, 3rd Wing-Army Air Corps at Tampa, stunned the group with his account of the national defense program. Milton Mays, director of the B. D. O.; J. Dewey Dorsett, Association of Casualty & Surety Executives, and Hunter Brown, president of the Florida Agents Association, were the other speakers.

The concluding session Wednesday was devoted to the election of officers and talks by Commissioner Larson, A. E. Gilbert, Edward W. Elwell, U. S. manager Royal Exchange, and Mr. Stebbins.

A resolution was adopted endorsing in principle the establishment of professional standards for property and casualty insurance and expressing willingness to cooperate in an advisory capacity with representatives of the insurance institution in attainment of the goal.

The president of the association was requested to appoint an advisory committee consisting of three members authorized to convey to leaders in the various branches of property and casualty insurance the sentiment towards professional standards and to extend such assistance of an advisory nature as may be necessary.

### HUNTER BROWN'S TALK

Hunter Brown, Pensacola, president Florida Agents Association, sees ahead for both general and local agents three outstanding problems.

The first is a matter of local agency conduct, adjustment of losses. Insurance is being modernized and tailored to fit the policyholder. Adjustments have kept pace except fire.

"From my observation in this territory, the average fire loss is adjusted today as it was 25 years ago. A policyholder's loss, to you and to me, is a common occurrence, but to the policy-

## Urges Agents to Be Civic Leaders

An acute sense of civic responsibility is the prime need of a majority of local agents today, Ralph W. Bugli, advertising manager of London Assurance, told students at the final session of the Norfolk, Va., insurance school.

In addition to a sense of civic responsibility, he declared, local agents might consider the advisability of incorporating in the structure of their offices a planned production program; a system of employee incentives; a plan of modern office organization to govern the flow and production of work; well defined

rules of courtesy for use in all contacts with the public; an attitude of naturalness in letter writing.

Also: Speed in servicing the public and living up to best principles of the agency system; installation of office equipment designed with a view to the customer's comfort; neatness in maintaining an office whose physical appearance will compare favorably with other modern offices; a soundly-conceived advertising program to broadcast the concept of proper protection and the role of insurance in the national economy.

holder in all probability it is an event of a lifetime. Treatment he receives by agent, adjuster, and company will leave an impression, good or bad, as long as he lives. Have the companies done anything about training adjusters in public relationship? Do you think the average adjuster working for a bureau, or independently, has any consciousness of the highly competitive nature of our business as it relates to stock companies versus mutuals?

"A great step forward could be made by stock companies writing fire insurance if adjustment procedure were brought up to date with modern business methods."

The second troublesome problem is production branch offices.

The third problem which is giving much concern is the constant reduction of rates. Possibly many of these rate reductions should have come several years ago, but look at the effect on premium income.

"As a matter of good business principle and a better service to the policyholder, would it not be to the best interests of all if we found some way to improve our product and hold to our present rate structures?"

Automobile manufacturers did this successfully. There is no reason why insurance protection cannot be sold on the same basis.

### Deplores Reference to "Commission"

Reference to the general agency "supervision and management expense" as "commission" was deplored by Herbert Cobb Stebbins, Denver, secretary-treasurer of the general agents association. Some general agents and companies do this, which is, Mr. Stebbins believes, a serious mistake.

The association obtained recognition by the insurance commissioners in 1930 of compensation of supervising general agents as a supervising allowance and not a "commission acquisition cost." It should be so classified at all times, since it is payment for managerial services rendered by the general agent which, in his absence, would necessarily be rendered by companies direct.

Mr. Stebbins urged general agents to review their contracts and if any of them refer to commission have them changed to read "supervising allowance."

### Still Working on Casualty

General agents have not as yet persuaded casualty companies to recognize general agency offices and to discontinue bestowing the title "general agent" on top commission local producers, Mr. Stebbins said, but they are continuing to work for such a change.

More companies are operating through bona fide supervising general agencies, and the volume of business handled by such general agencies is increasing steadily, he said.

One of the chief causes for formation of the general agents association was the increasing tendency of companies during the early 1920's to name successful local agencies general agents as a method of paying excess commission and securing preferential position in such agencies, Mr. Stebbins commented. Bona fide general agents began to lose business built up over a long period in such offices. The same thing is true to-

day in connection with casualty business.

Mr. Stebbins reviewed the history of the association from its founding in 1926. Membership has increased from 77 to 124 since 1934. This is a high percentage of all bona fide general agents, Mr. Stebbins said.

## Insurance Joins Fire Defense

(CONTINUED FROM PAGE 5)

supply systems in connection with defense projects and facilities under the departments of War and Navy. The National Board has set up an advisory bureau on fire protection in the office of the Quartermaster General with two full time advisory engineers and a similar advisory bureau in the Navy Bureau of Yards and Docks with a staff of three advisory engineers. Other engineers on the staff of the National Board are detailed to serve as needed in the military departments, Mr. Booth said.

Since last October, an average of about 15 men have been engaged in preparing reports on projects for the armed forces, including extensive survey of Army and Navy establishments in Hawaii and Puerto Rico. One of the first requests from the War Department was for the assignment of engineers to visit projects for the purpose of conferring with the construction quartermasters and securing data for preliminary service reports on each project in connection with new construction, said Mr. Booth. In many cases, engineers were assigned for practically continuous duty during the construction period. In addition to issuing reports on going establishments, National Board engineers have spent considerable time discussing with the design section problems of protection for stations which are in the plan stage, particularly naval air bases and ordinance plants.

### Work of National Board Engineers

Conveying some impression of the extent of the work done by engineers from the National Board, Mr. Booth stated that they had completed more than 200 original survey reports on Quartermaster and Air Corps construction for the War Department and more than 300 re-inspection reports on the 92 projects to which engineers have been assigned to maintain contact during the construction period. Approximately 60 Navy shore establishments have been inspected and reports prepared, including most of the present major yards and stations, with recommendations for improving inadequate fire protection and safeguarding fire hazards. In addition a great deal of time has been spent improving the design, construction and interior fire protection of typical structures which will be common to many future projects.

Mr. Eno told the Fire Waste Council that the major concern of the Advisory Commission to the Council of National Defense was in the civil defense field to prepare a program which would assist the fire departments in all sections of the country to meet fire fighting problems which might arise in any emer-

gency. The Advisory Commission, recognizing that such a program would be of definite concern to states and localities, naturally looked to its Division of State and Local Cooperation to assist these communities in handling the impact of defense.

This the division set about to do by summoning into conference a group of people from all sections of the country representing nation-wide organizations concerned with fire fighting. These people, mayors, firemen, policemen, citizens, formed a committee that has been since working ceaselessly to meet the fire fighting problems to be expected in emergency, Mr. Eno said.

After several months of work in Washington this committee has prepared a report which is going to be distributed to each of the state and local defense councils which have been formed and through every community in the country. The first section of the report outlines the relationship between the Federal and State Fire Coordinator and the local fire chief or fire executive. The report calls for a survey of fire fighting facilities now in existence and available reserve facilities. Detailed maps and charts are asked for, outlining hazards in each community and any spots vital to defense. All the facts will be assembled from these reports, Mr. Eno said, to assist the states and localities in identifying their fire fighting problems.

### Committee Recommendations

The committee recommends action programs in the report such as the arranging of mutual aid pacts between neighboring communities and the exchange of information regarding equipment. It outlines a program for organizing and training auxiliary fire fighters and tells of the fire service training schools which the War Department proposes to establish throughout the country to acquaint fire fighters with the problems of protection against such things as incendiary and high explosive bombs.

The advisory committee on fire defense intends to follow up this first report with a series of pamphlets dealing with the problems in greater detail, Mr. Eno said, and reporting the findings of a commission which was sent to England in conjunction with the war department. He called for the cooperation of volunteer individuals and organizations throughout the country to cooperate in the further development of the fire defense program.

## Ferguson Tells Twin City Men of A. & H. Progress

MINNEAPOLIS—Accident and health insurance "is a grand and worthwhile business and a growing one," E. H. Ferguson, president National Health & Accident Association, told the Twin City Accident & Health Association at a dinner meeting in Minneapolis.

Mr. Ferguson stressed the value of association work, saying that in cities where there are local associations "the business is good and the men in it are making money." He predicted that premium income could be increased sharply through the program of the national and local groups.

Tracing the growth of the association from a small beginning at Cleveland, Mr. Ferguson said the national organization now has affiliates in 30 cities.

"The national is in no sense a super-group," he explained. "It is merely the mouthpiece of the locals. Through our combined activities we are helping to protect the public."

Paul Clement, Minnesota Commercial Men's, president Health & Accident Underwriters Conference, said that "one of the best things about association work is its fellowship."

Both Mr. Ferguson and Mr. Clement spoke of the approaching national meeting at Los Angeles and urged as many as could arrange to do so to make the trip to the west coast for this gathering.

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### Producer Has Exceptional Opportunity Today to Prove Worth, B. M. Culver Asserts

Bernard M. Culver, president of the America Fore group, in a message to field men, points out that a remarkable opportunity now exists, to demonstrate the value of the services of agents and brokers.

"In view of the many new problems which have arisen in the world situation due to war," said Mr. Culver, "it is of utmost importance that we be alert to the constantly changing conditions which affect the protection picture of many assured."

"Business men, in the stress of adjusting their operations to the chang-

ing conditions of a country girding itself for defense, might easily overlook the need of adjusting their insurance as well."

Difficulties of replacing machinery, getting raw stock or finished materials due to priorities or foreign origin, scarcity of skilled labor, increased production, higher inventories, new buildings, the greater danger of malicious mischief, are some examples of the changed conditions referred to, Mr. Culver pointed out.

"Some agents or brokers may be overlooking the needed changes in their clients' protection. It is the duty of the field man to check with everyone in his field to make certain that this does not happen. Impress upon them that an unusual opportunity has been presented

today to demonstrate the value of, and in fact, the vital need for the services of the agent or broker.

"It will be the test of every field man, agent and broker; of the agency system and capital stock insurance; that American industry carries on in these critical times, safely guarded by adequate insurance—that it has insurance protection—not just insurance policies."

### Puerto Rico Bill Would Divide Public Insurance

SAN JUAN, P. R.—A bill has been introduced in the Puerto Rico legislature making the insurance superintend-ent the insurance adviser to the insular

government and requiring that all insurance on publicly owned property shall be placed by the superintendent. Business is to be distributed proportionately among American companies licensed in Puerto Rico which are willing to accept the risks offered, the distribution to be made in equal parts between all general agencies of American companies, each agency to get the same proportion, regardless of the number of companies represented.

A group of San Juan brokers is contesting this bill. It is not indicated who is sponsoring the bill or what its chances are for passage.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Michigan Premiums Increase \$800,000

LANSING, MICH.—Michigan's fire loss ratio increased slightly more than 1 percent in 1940, while net premiums gained about \$800,000 for all companies, according to a preliminary insurance department report. The stock company loss ratio of 51.34 percent compared with 50.90 percent for 1939 while the general loss ratio, including mutuals and reciprocals, advanced from 45.14 to 46.36 percent.

Fire premiums amounted to \$19,207,478, compared with \$18,418,837 in 1939. Stock premiums totaled \$15,407,251, compared to \$14,735,244. Total losses increased from \$8,313,540 to \$8,904,516, with stock companies' losses increasing from \$7,500,634 to \$7,910,624. Mutual premiums increased from \$3,480,065 to \$3,599,123.

In total fire business, the Hartford Fire remained far in the lead with \$1,051,518. The Great American wrote \$795,805; the Springfield Fire & Marine \$755,926; the Travelers \$734,398; the National \$718,420, the Michigan Millers Mutual \$709,373, and the Aetna Fire \$687,299.

The Michigan Millers Mutual Fire went into first place in fire only premium volume for the first time, with a \$641,526 total, compared to \$601,872 in 1939. The Hartford Fire, former leader, was third while the Great American moved up to second, leading all stock companies. The Hartford Fire's fire only total dropped from \$664,002 to \$569,612 while the Great American advanced from \$568,653 to \$610,361. The Great American's loss ratio on Michigan business also improved substantially, dropping from 57.99 percent to 50.92 percent. The Hartford's loss ratio went from 43.02 percent to 45.17 percent. The Michigan Millers showed an increased loss ratio, also, from 28.39 percent to 30.17.

Other leaders in total fire premiums, exclusive of the Home of New York, on which figures are not available, are:

Company	Net Premiums	Net Losses	Loss Ratio
Springfld. F. & M.	\$498,941	\$208,513	41.79
National, Conn.	466,116	257,272	43.96
Travelers	406,464	328,642	80.76
Queen	366,626	76,838	20.96
Northern, N. Y.	361,198	177,737	49.21
American, N. J.	360,395	257,097	71.34
Continental	357,055	149,972	42.00
North America	290,041	146,331	50.45
Aetna	241,470	97,767	40.49
National Union	239,983	83,280	34.70
Amer. Equitable	236,786	144,498	61.02
Fidel-Phenix	234,892	108,900	46.36
Auto., Conn.	232,206	97,767	40.49
Phoenix, Conn.	218,791	85,103	38.90
United States	213,647	92,882	43.47

### Swain Adjustments of Indianapolis Moves

Increase in the volume of business has necessitated the moving of Swain Adjustments from 309 to 711 Security Trust building, Indianapolis. The firm, established in 1936, handles all lines of casualty and automobile claims and is a member of the National Association Independent Adjusters and the Indiana association. I. T. Swain, manager, is secretary of the Indiana Casualty Adjusters Association.

### Cincinnati Get Selling Pointers from F. W. Potter

CINCINNATI—Some very practical points of salesmanship were presented by F. W. Potter, field supervisor of Aetna Casualty in a talk before more

than 150 members of the Cincinnati Fire Underwriters Association here Tuesday. Beginning by showing that it is fundamental for every agent to believe fully in insurance and furthermore to be proud of the business, Mr. Potter developed the importance of enthusiasm, stating that the agent must always be an optimist and must be convinced his price is right.

Dramatization of some of more than 20 different "gadgets" in the automobile policy was recommended by Mr. Potter in comparing them with the gadgets that actually sell many automobiles. Stressing the importance of the pre-approach—knowing what to talk about to the particular prospect, he also illustrated various methods of creating interest including the question method, the estimate method, the suggestion of higher limits, etc., because they get the prospect to thinking and to talking about his situation.

Recommending 15 interviews a day and cautioning against wasting the prospect's time, Mr. Potter also urged agents to dress up the contract and dramatize the possible large loss, to sell the "new" and "different," and to practice their presentations just like an actor practices his part in a play.

### Agent Demonstrates P. L. Hazards, Garage Liable

ST. PAUL—The Minnesota supreme court provided an unusual and forceful argument for liability insurance by affirming a judgment against a garage for personal injury to an insurance agent who was trying to sell liability coverage to an employee. The case will probably go down in history as a superbly convincing piece of "visual selling."

Howard Roadman, the agent, went to the C. E. Johnson Motor Sales Co. in Minneapolis to try to sell liability insurance to Tonn, a mechanic employed there. Tonn was working on a truck owned by Gadbois, who also was present. Tonn told Gadbois to step on the starter. The truck was in gear and it lurched forward, striking Roadman.

### Garage Held Jointly Liable

Roadman sued Tonn, Gadbois and the garage. The lower court held Gadbois liable but not the motor firm. Roadman asked for a new trial, which was granted, and the Johnson firm appealed. The defendants claimed that Roadman was a "mere licensee" and that the garage was not obligated to protect him. The supreme court rejected this contention, saying: "The greater the chance of injury, the greater the precautions which must be taken to prevent it."

The court also said: "In the exercise of that care which reasonably prudent men usually employ in like circumstances, they must have known that he (Roadman) was likely to get hurt if the motor was put in motion while the gears were in mesh. So the situation was obviously one bringing into play the rule that 'where the presence of a licensee is known to an owner of property or operator of machinery, there is a duty to exercise ordinary care to avoid injury to him.'"

### Commissioner Can't Name Aides

ST. PAUL—Intimations that there might be some modification of the state civil service act so as to give the insurance commissioner authority to select at least one confidential assistant were made when Newell R. Johnson came up for confirmation before the senate insurance committee. Commissioner Johnson, questioned by some of the senators as to his appointive rights in

his own department, said that he cannot even appoint his own chief deputy or a confidential stenographer. Some senators expressed surprise that such was the case. The committee voted unanimously to recommend his confirmation.

### Drop County Insurance Committee

FORT WAYNE, IND.—The Allen county board of commissioners has discontinued the services of a county insurance committee and will direct the county's insurance program itself in the future, announcing that the insurance on various county institutions will be apportioned on a non-partisan basis. The committee, comprised of Frank King, Gerald Zent and James Willson, was named more than a year ago. The commissioners said the law makes them responsible for the county's insurance and that, therefore, they feel that they should handle the program directly instead of through a committee of agents.

### Southern Minn. 10th Anniversary

ALBERT LEA, MINN.—All charter members and past presidents of the Southern Minnesota Agents Regional Association have been invited to its 10th anniversary dinner here April 15. Officers and members of the executive committee of the state association also are expected to attend.

When first organized the Southern Minnesota Regional embraced all of southern Minnesota. Since then three other regionals have been formed in this area and many of the original members are now affiliated with other boards.

### Park Region Agents Meet

FERGUS FALLS, MINN.—Walter Brode, special agent America Fore, and Herbert Nelson, assistant manager Travelers, Minneapolis, spoke at the April meeting of the Park Region Agents association here. N. M. Steen of Fergus Falls was elected a vice-president. A constitution was adopted. The next meeting will be June 4 at Alexandria.

### Kansas City, Kan., Board Expands

KANSAS CITY, KAN.—Increased membership of the local association here, with development of service for and representation of all classes of volume groups, has brought about additions to the executive committee. The by-laws have been changed to provide for nine members instead of seven as before. Two new members have been elected: Mrs. Elfreda McCullough Murray and Norman Doust. L. H. Wingett is president; Cheney Prouty, Jr., vice-president, and C. A. Lind of Tinkler & Lind, secretary-treasurer.

### Slate Doremus at Rock Island

The next meeting of the Rock Island, Ill., Association of Insurance Agents to be held May 8, the speaker to be F. W. Doremus, western manager of American. He will talk on National Board activities. At the last meeting Robert D. Hodson, agency supervisor in Chicago for Aetna Casualty, gave a talk on "Comprehensive Protection by Prescription." Many agents from Moline, Ill., attended.

### Opens Huron, S. D., Office

The Western Adjustment has opened an office at Huron, S. D., with J. J. Bultena as resident adjuster. This is the fifth branch of the Western in South Dakota.

### Hold Indiana Farm Meeting

George R. Pritchett, American, and John R. Munson, Home, are co-chairmen for a meeting at Spiceland, Ind.,

### Indianapolis Board Assails Injury Record

The Indianapolis Insurance Board has taken a militant position in seeking to bring about improvement of the automobile injury record in the city. It is campaigning in behalf of adoption of several recommendations of a citizens' committee that were made about a month ago. Police Chief Morrissey was rather sharply questioned by members of the board at a dinner meeting on why the recommendations had not been put into effect.

The traffic fatalities in Indianapolis in 1940 totaled 85 as compared with 57 the previous year and Morrissey contended that many cities had an increase last year and that those with good records "had a streak of luck." That observation apparently did not appeal to the insurance leaders.

The speaker of the evening was E. C. Forsythe, a member of the citizens' committee. He attacked an alibi that he said is frequently used by city officials that traffic hazards are increased because of new industrial activity. That, he said, should not be an excuse but a cause for more planned action. Herman C. Wolf presided. Twenty-one members of the police accident prevention bureau were guests.

April 25, sponsored by the Indiana Farm Underwriters Association. Clem Smith, state fire marshal's office, is collaborating and will show moving pictures of fires and fire prevention activities gathered by his department.

### Would Issue Membership Cards

DETROIT—As a part of its campaign to increase the prestige of members of the Detroit Association of Insurance Agents, the grievance committee under Chairman F. C. Esper has proposed to the directors issuing printed membership cards to members, which they may use in soliciting business.

### Arrange Southern Ohio Rally

The Portsmouth Association of Insurance Agents has arranged for a meeting of agents in southern Ohio in Portsmouth April 18. Speakers will include V. G. Martin, secretary Ohio Association of Insurance Agents; C. B. Plummer, field representative, and Max M. Fulks, chairman rural agents committee.

### Discuss Comprehensive Policy

TOLEDO, O.—First of a series of educational sessions was held by the Toledo Association of Insurance Agents. The new comprehensive public liability policy was the subject of a round-table discussion, under direction of Harvey S. Martin.

### Hummel Lucas County Speaker

TOLEDO, O.—The Lucas County Insurance Board held its April meeting Tuesday with Neal Hummel, Ohio Audit Bureau, discussing changes in the fire insurance policy.

George L. Rutter has been appointed chairman of the banquet committee, the event to be held in June for induction of new officers.

### Welch Named Bank Commissioner

Ben A. Welch, veteran local agent and banker at Kingman, Kan., has been named Kansas bank commissioner by Governor Ratner.

### Mrs. Stone Heads Lawrence Board

Mrs. Ann Stone of the Manley Agency has been elected president of

the Lawrence, Kan., Insurance Board to fill out the unexpired term of the late Gene Glahn.

### J. L. Van Wagoner Is Feted

J. L. Van Wagoner, local agent of Pontiac, Mich., was guest of honor at a party given by the field men of the companies in his agency in recognition of his 30th anniversary as an insurance agent. He was presented with a watch. The party was given in Fulton, Mich. E. H. Ulrich, secretary of Pacific Fire, was on hand from New York.

### NEWS BRIEFS

Mayor George E. Leach of Minneapolis, a former local agent, will speak at the April 14 luncheon meeting of the Insurance Club of Minneapolis and will tell of efforts being made to land defense contracts for factories in Minnesota.

P. M. Wendel, assistant chief since 1927 and 29 years a member of the department, has been named chief of the Wichita fire department following the resignation of H. H. McCall after 51 years of service. Chief Wendel has been an active member of the Wichita fire prevention committee and has contributed materially to the ranking of Wichita in the Inter-Chamber Fire Waste Contest.

The Minneapolis Underwriters Association, through its fire prevention committee, has joined hands with the Minneapolis Junior Association of Commerce in an extensive fire prevention campaign

during the annual clean-up, paint-up and fix-up week this spring.

Considerable publicity was given in St. Paul newspapers to the display at the public library of Currier & Ives prints provided by the National Board and the presentation of an original print of the great Boston fire to the library by President C. F. Codere of the St. Paul Fire & Marine.

R. E. Israel, Sr., Wichita agent, member of the city commission for six years and mayor for one term, was defeated for reelection to the commission.

J. H. Laidlaw, Minnesota Farmers Mutual, will speak April 14 to the Twin City Mutual Insurance Club in Minneapolis.

The Kansas City Association of Insurance Women will elect officers April 14. Affiliation with the National Association of Insurance Women and representation at its convention in June will be discussed.

The Des Moines Association of Insurance Women will hold its annual meeting May 14. State Fire Marshal Strohm addressed the April meeting on fire prevention work.

W. J. Kountz, Toledo, O., agent, has been elected president of the city commission of publicity and efficiency.

The Mutual Insurance Association of Cleveland held its "mid-season confab" April 9.

Kenneth Campbell has purchased the interest of his partner, Barre Hill, in the Hill & Campbell agency, Reading, Mich.

dwelling contents and that in the last three years there has been a series of reductions in industrial and commercial notes. He contends a reduction also should be granted in residential rates.

### Ky. Bank May Insure in Mutual

FRANKFORT, KY.—Banks legally may purchase insurance from mutual companies without violating the state law prohibiting a bank from entering other kinds of business, Assistant Attorney-general Keller holds.

"It is true," he told the banking departments, "that a policyholder in a mutual company is an insurer as well as an insured, but this does not necessarily give to the policyholder—in this case the bank—the right to act in its corporate capacity as a bank in directing the affairs of the insurance company."

"It is difficult to see how any conflict could arise whereby the bank itself would be considered as acting as an insurance company."

The type of insurance carried by a bank is not regulated by statutes, he said.

### Hartwig Moss Housing Bid Low

NEW ORLEANS—Hartwig Moss Insurance Agency submitted the lowest of 18 bids for fire, windstorm and other insurance on the St. Thomas and the Magnolia housing projects to the Hous-

ing Authority of New Orleans, 8 cents per \$100 for one year, 16 cents for three years, and 24 cents for five years. The coverage on St. Thomas amounted to \$2,500,000 and on Magnolia to \$1,750,000 covering 80 percent of value of all buildings exclusive of foundations.

### Firemen's Holds Texas Parley

SAN ANTONIO, TEX.—Sixty agents attended a conference here of the Firemen's of New Jersey. New policy forms were explained followed by round table discussion on selling points. Jack Frazier, San Antonio special agent, was in charge of arrangements. Speakers included Ben Lee Boynton, Dallas, second vice-president; G. A. Chatfield, assistant secretary; T. R. Chatfield, agency supervisor. Other company men present were E. L. Stephens, special agent, and Joseph Agnew, Don Caldwell, and Raymond Williams of the claim department.

A cocktail party and dinner at which the agents were guests closed the gathering which was the first of a series to be held in all sections of Texas.

### Self-Insurance Agitation Spreads

KNOXVILLE, TENN.—The agitation in Tennessee for self-insurance, or no insurance at all, on public buildings has reached Knoxville. Griffenhagen & Associates, employed by the city council to make surveys of the city government

## IN THE SOUTHERN STATES

### S.E.U.A. Accepts Agents' Request for Conference

BIRMINGHAM, ALA.—Lloyd T. Wheeler, secretary-manager of the Southeastern Underwriters Association, has advised Ed. H. Moore, chairman of the Southern Agents Conference, that the S.E.U.A. conference committee will be glad to meet with the agents' conference committee to discuss mutual problems. An early meeting was suggested prior to the annual convention of the National Association of Insurance Agents. J. H. Hines, Crum & Forster, Atlanta, is chairman of the S.E.U.A. committee.

This invitation was extended in response to the action of the Agents Conference at its Atlanta meeting in asking to be called in for a conference when new rates or new forms are being considered. The conference, among other things, asked the S.E.U.A. to consider reducing suburban fire insurance rates and to devise some way of simplifying the method of handling published rates in large municipalities.

Chairman Moore said the agents' committee would ask for a conference date just as soon as membership in the enlarged committee can be completed. At the Atlanta meeting it was voted to have representatives also from Virginia, Mississippi, Louisiana and Arkansas. These have not been selected as yet, except that F. P. Montague of Hattiesburg, president Mississippi association, will represent that state.

### Ala. Agents Hold Annual Meet May 8-9 in Birmingham

BIRMINGHAM, ALA.—The Alabama Association of Insurance Agents will hold its annual meeting at the Tutwiler Hotel, Birmingham, May 8-9. Ed. H. Moore, secretary-treasurer, announces that speakers secured so far include E. M. Allen, executive vice-president National Surety; Dean Lee Bidgood of the school of business of the University of Alabama, and Superintendent Julian of Alabama. In addition there will be a representative of the National association and possibly one or two other speakers.

Among the subjects to be discussed

will be the annual short course insurance school to be held at University of Alabama this summer and the employment of a full-time secretary, which was authorized at the last convention. Funds for that purpose are now being raised.

The annual meeting of the executive committee, of which R. T. J. Johnson of Florence is chairman, and the annual ex-presidents' dinner will be held the evening of May 7. Charles Morris of Tuscaloosa is president and W. R. Mizelle of Birmingham vice-president of the association.

### Virginia Demands Correct Handling of Interstate Lines

Commissioner Bowles of Virginia has launched a campaign to bring about strict observance of the Virginia requirements in connection with interstate master policies that include Virginia risks. He has requested each company to submit to him a list of such policies that have not been handled in the prescribed manner. The company is asked to indicate in which particular each master policy varies as follows:

1. Underlying policies have been issued through Virginia agents for full Virginia portion of insurance under the master policy.

2. Virginia underlying policies contain in full all forms, clauses, permits, terms and conditions of the master policy except that locations, rates and premiums are for the Virginia portion of the coverage only.

3. Daily reports of Virginia underlying policies have been submitted to and approved by the Virginia Insurance Rating Bureau.

### Expects Birmingham Reduction

BIRMINGHAM, ALA.—Hope that Birmingham will be granted a reduction in residence fire insurance rates was expressed by Eugene Connor, public safety commissioner, following a conference with L. C. Sledge, assistant secretary Southeastern Underwriters Association. A detailed study of rate levels on residence properties in Alabama is now being made by the S. E. U. A., Mr. Sledge informed the commissioners.

Mr. Connor pointed out that rates recently were reduced 10 percent on



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with a view to cutting expenses, recommended that all fire insurance policies on 31 school buildings and six other public buildings, insured for \$2,049,600, be cancelled and that the city depend for protection on a self-insurance fund now standing at \$38,000. Governor Cooper sought at the recent legislative session to cancel all state insurance and depend on a self-insurance fund.

Russell Briscoe, representing the Knoxville Insurance Exchange, expresses the belief that any such measure will be defeated when it comes before the council.

#### Check Outside Fire Calls

CHATTANOOGA, TENN. — The city's counsel has held declaring that it is illegal for city fire equipment to make runs outside city limits, as fire insurance rates are based on availability of fire fighting equipment in specified territory within the corporation.

Knoxville recently passed an ordinance fixing a charge of \$300 for each run outside the city limits.

The Jackson, Tenn., fire department has announced a fee of \$100 for answering calls outside of the city limits and then only when apparatus is not on other calls.

#### Get Rates on Hydro-Electric Plant

DANVILLE, VA.—The finance committee of the city council has received rates from three companies on insuring Danville's hydro-electric system in Patrick county against malicious mischief. It is understood that two sets of rates have been submitted, one covering sabotage and another covering possible accidental damage to the long wooden stave-pipe line from rock slides.

#### Southern Mutual Officials Change

With the death of Andrew C. Erwin, secretary of Southern Mutual, Athens, Ga., Arthur E. Griffith, president-treasurer, becomes board chairman; J. Blanton Fortson, director, becomes president-treasurer, and E. E. Lamkin, formerly auditor, secretary. R. T. Scoggin becomes auditor.

Mr. Griffith became associated with the company in 1874, later serving as director, special agent, secretary, and then president-treasurer. Mr. Fortson has been judge of the superior court of western Georgia 20 years.

#### Georgians to Attend Mid-Year

Georgia agents who plan to attend the mid-year meeting of the National Association of Insurance Agents at Oakland include: P. M. Lancaster, president, and Irvin Wootton, secretary Georgia Association of Insurance Agents; Sidney O. Smith of Gainesville, past president of

the National association, and Scott Nixon of Augusta.

#### Coordinate Va. Fire Fighting

RICHMOND—The state fire protective mobilization committee of Virginia is coordinating fighting force in connection with the national defense program. H. L. Baumes, director of personnel training of the Virginia League of Municipalities, speaking at a meeting here, said he had been notified that selected groups of firemen from Virginia would be welcome at a series of schools in New York where instruction is being given by men trained in London.

#### South Boston Agency Burns

Fire of undetermined origin destroyed 12 business houses in South Boston, Va., with loss estimated at \$100,000, partly covered by insurance. Offices of the South Boston Insurance Agency suffered a total loss, it is reported.

#### Heavy Drain on State Fund

BIRMINGHAM, ALA.—Long range plans for the development of more fire-proof buildings are now being considered by the state of Alabama in an effort to reduce school fire losses which since the beginning of the scholastic year on October 1 total \$440,000, causing a severe drain on the state insurance fund.

#### Augusta Course Well Attended

AUGUSTA, GA.—There have been more than 50 agents and employees at each of the four lectures in the series sponsored by the Georgia Association of Insurance Agents in cooperation with the Augusta Board.

#### Midyette to Be Virginia Speaker

Payne Midyette, Jacksonville, Fla., president National Association of Insurance Agents, will speak at the annual meeting of the Virginia Association to be held in Roanoke May 22-24. Invitations have been extended to other speakers but no acceptances have been received. Manager Bigelow planned to be in Roanoke this week to complete arrangements for the convention.

#### NEWS BRIEFS

M. H. Grannatt, assistant United States manager Royal-Liverpool Group, has been visiting the south Texas field men.

The office of the Tennessee Association of Insurance Agents has been moved from 324 Vendome building, Nashville, to 720 Nashville Trust building.

W. R. Chamberlain, formerly a partner in the James R. Chamberlain Co., Chattanooga, Tenn., has established his own agency.

opened the session, and Frank N. Bellinger, Bellingham, chairman of the executive committee and national councilor, presided. Local board presidents and committee chairmen, representatives from the Oregon association, and agents in the Longview-Kelso district attended.

Norman S. Walker of Longview, "host" to the meeting, introduced agents from the Longview-Kelso district who are forming a new local board. R. H. Ensign, secretary-treasurer; Harold N. Mann, Tacoma, chairman membership committee, and George B. Guyles, Tacoma, contact committee, reported. L. E. O'Day, Aberdeen, discussed advantages of local board affiliation.

A. J. Peters, Issaquah, chairman rural agents committee, estimated the present 14 incorporated rural fire protection districts will be increased to 20 by the end of the year. An amendment to the fire protection district law was enacted by the 1941 legislature raising the tax limit from two to four mills, he stated. George W. Haerle, Portland, a mem-

ber of the National association executive committee, discussed problems of the business nationally. In addition to Mr. Haerle, representatives of the Oregon association included Howard Valentyne, executive secretary; Harry Hollister, chairman of the executive committee, and Fred C. Reed, all of Portland.

Arthur H. Bassett presented Tacoma's invitation for the 1941 convention.

W. C. Carlyon, state agent at Seattle for Crum & Forster, and vice-president of the Western Washington division, Special Agents Association of the Pacific Northwest, reported that attendance at the educational meetings jointly sponsored by agents and fieldmen is up 31 percent over the preceding series. As a result of interest by mayors, fire chiefs, chambers of commerce, etc., in the National Board's film, "Approved by the Underwriters," plans are to show the picture to trade and civic groups in a number of western Washington cities.

#### Washington Fire Premiums in 1940 Up 10 Percent

SEATTLE—Net fire premiums in Washington were \$7,593,869 and loss paid totaled \$3,646,808 in 1940, producing a loss ratio of 48 percent. Of this

amount, stock companies wrote \$6,114,222 in net premiums and had a loss ratio of 49.5. Non-stock carriers wrote \$1,343,196, with loss ratio of 38.4. Fire premiums were up about 10 percent over 1939.

Leading writers were the General of Seattle, \$831,202; Northwestern Mutual, \$758,590; Fireman's Fund, \$273,819; Home of New York, \$263,828.

#### Burton Made Assistant Secretary

SAN FRANCISCO — Howard L. Burton, for the past ten years district manager of the Firemen's group at Great Falls, Mont., has been transferred to the Pacific department headquarters at San Francisco as assistant secretary.

The group has just added 6,000 square feet to its Pacific department offices, making it the largest insurance office in the city outside of a home office.

#### Washington Officials at Tacoma

TACOMA, WASH.—Officials of the Washington Association of Insurance Agents were guests of the Pierce County Insurance Agents Association at a membership dinner meeting.

A number of prospective members attended the meeting, which was in charge of President William Healy.

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## PACIFIC COAST AND MOUNTAIN

### Washington Meet at Tacoma in August

The annual convention of the Washington Association of Insurance Agents will be held in Tacoma in August, the executive committee decided at its meeting in Longview.

The committee went on record in favor of some system of controlling the writing of comprehensive liability policies. A year ago it asked the Washington department to require filing of rate makeup sheets for checking purposes with the Washington Insurance Examining Bureau, after alleged discrimination in quoting comprehensive rates on liability risks of political subdivisions.

Commissioner Sullivan was scheduled to hold a meeting Wednesday to organize the Washington Surplus Line Brokers Association, according to E. R. Bowden, Seattle, chairman of the legislative committee.

President James M. Blair, Puyallup,

Talks on the activities of the state association were made by President James M. Blair, Puyallup; Frank N. Bellinger, Bellingham, national councillor, and Irwin Mesher, Seattle, executive secretary.

#### Indict Insurance Shares Promoter

S. C. Pandolfo, of Albuquerque, was indicted by a federal grand jury at Santa Fe, N. M., on a charge of making misleading and false statements in connection with the sale of stock in the Old Line Insurance Shares Corporation of New Mexico, of which he is manager. H. N. Lary, regional chief of the SEC, said a number of investors throughout the mountain territory are involved. The indictment charges he collected more than \$60,000 in the last two years, of which about 15 percent was used for the firm and the remainder converted to his own use. Denver agents of the SEC said he had collected about \$200,000 since he began operating in Albuquerque in 1938.

Pandolfo was convicted about 20 years ago in Minnesota of using the mails to defraud in connection with the sale of stock in the Pan Motorcar, said to have cost 70,000 investors nearly \$10,000,000, and served several years in the federal penitentiary at Leavenworth.

#### F.C.A.B. Changes in Northwest

Several staff changes in the Pacific Northwest have been announced by the Fire Companies Adjustment Bureau. Clyde C. Oakes has been transferred from Butte to Spokane. Succeeding Mr. Oakes as manager at Butte is L. M. McKinley, a bureau staff man for 14 years. Harry L. Smith is being transferred from Spokane to Salt Lake City.

#### Extended Coverage Discussed

SAN FRANCISCO—John H. Martin, manager Standard Forms Bureau, continued his series of discussions on the extended coverage endorsement before the Fire Underwriters Forum of San Francisco, April 9. This was the third lecture in a series.

#### Winkler San Francisco Manager

G. W. Winkler, for 14 years home office agency supervisor of the General of Seattle, has been appointed manager of the northern California department of the T. V. Humphreys general agency of Los Angeles, with headquarters in San Francisco.

#### Honor Pacific Board Veterans

Richard Waldron, secretary and L. H. Earle, assistant district secretary, District C, Pacific Board, will be honor guests at a dinner given by the Southern California Fire Underwriters Association April 14 in honor of their long service with the board.

#### Seattle Promotions Are Dormant

The two companies that have been in the promotion stage in Seattle for some time are still in that stage and neither has been chartered. They are Federal Fidelity Fire and Federal Automobile.

#### Ogden, Gamble in Los Angeles

LOS ANGELES—President Harry F. Ogden and Vice-president C. B. Gamble of the Fidelity & Guaranty Fire visited Los Angeles on their way to San Francisco for a conference with the field men from the mountain states and the Pacific Coast.

#### NEWS BRIEFS

W. J. Kulp, manager Mountain States Inspection Bureau, Denver, has been elected president of the Mile-Hi Optimist Club.

New officers have been elected by the

#### Insurance Women's Association of Seattle. Mrs. Burga Carson is president.

Estor Kiesewetter has resigned as special agent at Spokane for Groninger & Co., general agents, to join the J. L. Cooper & Co. agency and has acquired an interest in the firm.

R. C. Stevenin, former Oregon deputy commissioner, has joined the Sam Cox agency of Portland. He is specializing in accident and health lines, in which field he was active before going with the Oregon department about 11 years ago.

A. W. Whalley, president of John A. Whalley & Co., Seattle general agents, is on an extended trip east, visiting home offices in Manchester, N. H.,

Baltimore, Boston, Providence and New York. He is accompanied by his son, Oliver, who is manager of the fire department in the Seattle office.

Licenses of E. B. Lehman of Los Angeles were revoked by Commissioner Caminetti, after a hearing at which it was brought out he had failed to refund commissions on three policies either rejected or cancelled by the Beneficial Casualty of Los Angeles. Similar complaints were made regarding 11 policies of the Service Life of Omaha, and four policies of the same company in which misrepresentations had been made.

The Insurance Girls Service Club of Los Angeles will hold its next meeting April 15. Officers will be nominated.

since the custom generally is for the insurance company to give the issuing furrier the commission for replacing or repairing the coat in case of loss or damage. Cost of such insurance is passed on to the customer, of course.

Apparently in some instances furriers and fur storage houses issuing certificates have received some compensation for doing so, which the Missouri department feels puts them in the insurance business. The new ruling is designed to prevent this.

#### Harding Goes with Western Adjustment as Surveyor

Western Adjustment is to enter the yacht and ocean cargo survey field, April 15, it was announced by R. M. Ryan, superintendent inland marine division, under whose direction the work will be handled. The services of Ray D. Harding, an experienced yacht and ocean cargo surveyor, to be stationed at the head office in Chicago, have been secured.

Heretofore, Western Adjustment has not specialized in handling yacht and ocean cargo surveys but during recent

## MARINE INSURANCE NEWS

### Eric E. Ellis Joins W. H. McGee & Co.

Eric E. Ellis, former United States manager of British & Foreign Marine, has joined the home office staff of William H. McGee & Co., in an executive capacity. Mr. Ellis first became connected with British & Foreign Marine in Liverpool in 1914. After serving in the British navy during the war, he returned to that company and in 1921 was transferred to the United States branch. He became sub-underwriter in 1931 and United States manager in 1936. He remained in that position until the marine interests of Royal-Liverpool in this country were consolidated.

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NATIONAL UNDERWRITER

### Missouri Again Permits Fur Dealers to Issue Customers Policies Under New Formula

JEFFERSON CITY, MO. — The Missouri insurance department has rescinded its order prohibiting furriers or fur storage firms issuing customers' policies while garments are not in custody of the furrier. A new ruling enables furriers to issue insurance certificates while the customers have the garments, under a form corresponding to the "Illinois form."

Issuing insurance certificates on furs or fur garments to cover while in customers' custody had been done by fur dealers in Missouri for many years until Jan. 19 this year. At that time, because of "abuses," the department stopped the practice.

While agents realized there had been some abuses, they felt these could be eliminated and service continued. The Missouri Association of Insurance Agents, through William J. Welsh and George Oppenheimer, Kansas City agents, immediately began a series of conferences with the department which resulted in the new formula. It appears in good time for the 1941 fur storage season.

The basic contract between insurer and furrier provides that the furrier or fur storer shall not receive a commission, brokerage, "or anything of value" for placing or furnishing insurance for customers. Amounts of insurance under customers' policies shall not be deducted from reports of storage values otherwise required of the furrier. Policies must be countersigned by a licensed agent. Policies are to be issued only to individuals covering personal furs or garments trimmed with furs where these are the property of storage customers of the furrier or fur storer.

Marine policies may cover under the following conditions, the Missouri ruling states: Customers policies covering specified garments owned by customers may be issued if such policies contain all the provisions under which the coverage is accepted without reference to underlying policies; if policies are issued and signed by licensed agents; if the form issued shows rate and premium



months there has been agitation on the part of yacht underwriters for the Western to provide these facilities and this is responsible for the step.

Mr. Harding goes from Cleveland, where he has had 15 years' experience on yachts and cargo on the Great Lakes connected with the Aetna Life companies. He is thoroughly qualified to handle both loss surveys and those involving condition and value of risks submitted. Mr. Harding will be stationed in Chicago, but will be available to other points in the event of serious losses.

The service is calculated to round out the facilities of Western Adjustment in a phase of the work which heretofore it has not covered.

#### Educational Meetings for Mariners

At the luncheon meeting of the Mariners, organization of Chicago marine underwriters, May 5, a speaker is being secured to discuss various phases of the Great Lakes marine business.

This will inaugurate the club's new policy of providing educational as well as social activities. This, together with a reduction in dues to \$1 a year, and selection of meeting places at which the cost is not too great are expected to attract a number of new members from among younger marine underwriters, according to President Marty Plotnick of Fireman's Fund.

Hereafter the Mariners will hold alternate luncheon and evening meetings, the group voted at its meeting this week.

New committees appointed by Mr. Plotnick are membership, R. D. Sullivan, Marine Office of America; Scott Fraser, superintendent marine department Firemen's of Newark, and Fred Kunz, Home; and entertainment, Roy Urbauer, Firemen's, and Earl Follingstad, F. & G. Fire.

#### Marine Bureau to Cincinnati

CINCINNATI—The removal of the U. S. Bureau of Marine Inspection & Navigation fifth district offices from Pittsburgh to Cincinnati was observed at a public dinner given by the Propeller Club with Commander Richard Field of the bureau's Washington office as guest speaker. The club is interested in the development of Cincinnati as a port in the river waterways development. The coming of the bureau to Cincinnati will give impetus to the city's growth as a river shipping center. B. A. Thompson, president of the club, and John Harth, secretary, are both members of Neare, Gibbs & Co., prominent river marine insurance agency.

#### Atlantic Mutual New Haven Office

NEW YORK—Atlantic Mutual has opened a New Haven office under Gardner W. Brown to service and develop business through agents and brokers in Connecticut. Mr. Brown has been with the company in its Boston office for six years as field man. He replaces R. L. Harrell, who has been called to duty in the navy as a senior lieutenant.

#### Ruling on Cranes in Shipyards

Cranes that are primarily used in connection with shipbuilding in shipyards may not be insured under marine forms

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## EAST

### A. C. Glasser Reelected as Buffalo Board President

BUFFALO—August C. Glasser was reelected president of the Buffalo Association of Fire Underwriters at the annual meeting.

Other officers are: Vice-president, C. M. Epes; secretary, F. E. Wheeler; treasurer, N. K. Butler.

Mr. Glasser named on the executive committee Lawrence Humphrey, R. H. Mason, W. H. McPherson, J. C. Olson, J. W. Rose, J. L. Tiernon, Jr., and J. C. Weisenheimer. He thanked the members and committees for their cooperation the past year and declared the Buffalo association "has a big year ahead of it" which requires the united support of the entire organization.

C. H. Wilson, chairman of the public relations committee, said members should make an effort to get out and talk before civic and luncheon groups the coming year in the interests of the fire insurance business.

J. L. Tiernon, Jr., member of the executive committee of the Insurance Federation of New York, spoke briefly on its work and said a membership drive to boost membership from 17,000 to 25,000 would be launched this year. He urged Buffalo insurance men to join and support the federation.

#### Veteran Rater to Retire

Wallace Wales, inspector and engineer in Boston for nearly 40 years, will retire from active duty with the Boston division of the New England Fire Insurance Rating Association April 30. He joined the Boston Board in 1902 and became assistant secretary. He went

according to the joint committee on interpretation and complaint.



A. C. Glasser

with the rating association when it took over the board's rating powers in 1938.

#### Automobile Forum at Glens Falls

A discussion on aspects of automobile casualty insurance was conducted at a luncheon meeting of the Insurance Club of Glens Falls, N. Y. William R. Jones, president, and Robert Duffy had charge of the program.

#### Boards Hear Clarke, Richards

A. H. Clarke, executive secretary Massachusetts Association of Insurance Agents, will address the North Middlesex Board at Stillriver, Mass., April 15 on "Legislation."

George L. Richards, manager of the inland marine department of automobile in Boston, will speak on "Inland Marine" before the Worcester Board April 22.

#### N. J. Membership Now 861

NEWARK—Membership of the New Jersey Association of Insurance Agents has reached 861, the highest in its 48 years. It is hoped that the membership will reach the 900 mark before the annual meeting in September.

#### Protects Credit Rating

PITTSBURGH—The importance of insurance in protecting credit rating in view of automobile accident hazards was emphasized by R. A. Tucker, Tucker & Johnston, Pittsburgh, before the Credit Men's Association of Western Pennsylvania here.

#### NEWS BRIEFS

John J. Cornish, senior partner of Field & Cowles, Boston, was given a birthday party by members of the office force and presented a silver tray. A. R. Prentiss was toastmaster.

"Insurance Women of Southern New Jersey" has been organized with Ada E. Wilkins as chairman. It is a unit of the Insurance Women of New Jersey.

W. R. Brannan of Summit, N. J., blind from early childhood, who recently completed the home office casualty and surety sales course of the Aetna Casualty, has established a multiple-line agency in his home town. He stood third in his class with a mark over 90 percent.

## CANADIAN

### Cannon Enters Ontario Fire Insurance Field

TORONTO — William H. Cannon, who has been Canadian manager of THE NATIONAL UNDERWRITER, has joined Central Manufacturers Mutual as special agent in Ontario. He will assist Canadian Manager Don S. Miller.

A native of Broughton-in-Furnace, Lancashire, Eng., Mr. Cannon went to St. John, N. B., with his parents when he was seven years old. He was employed by the W. M. Jarvis agency at St. John and later in the claim department of Employers Liability at Montreal. After spending two years with the "Canadian Underwriter," Mr. Cannon went with THE NATIONAL UNDERWRITER in 1935, establishing a Canadian branch office at Toronto. He traveled extensively in Ontario, parts of Quebec and New York state and developed a wide acquaintanceship among insurance men in those localities. He developed the "Underwriters Hand-Book of Ontario," the first complete insurance directory of that province.

#### New Property Floater Rules

WINNIPEG—The Personal Property Floater Insurance Conference, which has jurisdiction over the writing



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of that class in Manitoba, Saskatchewan and Alberta, has issued a new rate and rule pamphlet. Rates are the same as those announced last fall, but policies may now be extended to provide additional coverage on professional equipment and complete rules are set up regarding endorsements and other extensions of the policy.

## Canadian Fire, Auto, Hail Experience in 1940 Shown

OTTAWA, ONT. — Superintendent Finlayson has issued complete figures on Canada's insurance experience in 1940. Net premium income for fire insurance was \$41,947,268, compared with \$40,984,276 in 1939; with loss ratio of 37.15 against 38.46 in 1939.

Automobile premiums totalled \$20,903,101 against \$18,859,873, with a loss ratio of 49.86 against 47.45.

Sharp increases in losses and a drop in premium income were shown on hail insurance. The 1940 premium income was \$1,032,408, losses \$446,676 and loss ratio 43.27; compared with 1939 premium income of \$1,757,593 and loss ratio of 18.31. United States companies handled the bulk of the hail business, with premiums of \$931,762 and a ratio of 41.93.

## Lawrie Heads North Empire

William Lawrie, manager for Canada of the Phoenix Assurance, has been elected president of the North Empire Fire.

## Kay Rounds Out 30 Years

TORONTO—E. J. Kay, manager for Canada of the North British & Mercantile group, is celebrating 30 years of service with the North British. He has been Canadian manager for 10 years.

## Sterling Appoints Gagnon

Sterling of Canada announces the appointment of J. P. A. Gagnon as provincial agent for Quebec and Ontario. Mr. Gagnon has been since 1922 manager for Canada of the Union of Paris, and continues that connection.

W. F. Spry, assistant general manager of the Canadian General and Toronto General, has been elected a director of the Canadian General.

# MOTOR

## Neb. Secy. of State Gets Decision Against Loan Firm

LINCOLN, NEB.—In upholding the action of Secretary of State Marsh in denying the Phoenix Loan Company of Omaha a renewal of its license the district court held that it had used a master automobile policy and a master inland marine form, as a device to exact "exorbitant and usurious" charges. The court found that the loan company required a borrower to purchase insurance in excessive amounts and for which it charged "exorbitant and unconscionable" premiums; that they sold this insurance without first procuring a license from the state; that neither of the master policies had been submitted to the department for approval; that the master policy covering household goods would not have been approved if submitted; that very few certificates were issued to borrowers after they had been required to take out insurance when their goods were already insured.

The court also found that the amount charged for insurance was added, if not paid, to the lawful charges and interest paid thereon; that where a loan was paid in full prior to maturity no refund was made of the unearned premium, and that where the loan was renewed or extended the borrower was required to cancel the insurance previously taken

out and which extended beyond the period for which the loan was originally written, and required to purchase a new policy.

The finding that the master policies had not been approved was based on testimony of Attorney Logan of the department. They were issued by Camden Fire through the David J. Gradman agency of Chicago, and the department will take up the matter with them. The loan company has appealed to the supreme court, where it asks speedy hearing.

## Theft Bureau Course in La.

The plan for conducting a school for training automobile fire investigators, presently in progress in Louisiana, was originated by Ralph E. Holcombe of the Automobile Underwriters Detective Bureau, which is the southern division of the National Automobile Theft Bureau. The conduct and the scope of the operations of the school are entirely in the hands of Steve Alford, Louisiana safety director.

The Automobile Underwriters Detective Bureau has appointed **Kramer Roberts**, for four years deputy state fire marshal, as Arkansas representative, with offices at Little Rock. Formerly the Arkansas area was directed by Louisiana headquarters at Monroe.

Midland Mutual Fire of Newton, Kan., discontinued the writing of automobile insurance July 1, 1940, and hence the last of its automobile policies will have expired by July 1 of this year.

## Indiana Approves Issuance of Participating Policies

(CONTINUED FROM PAGE 24)

not so operate, especially since our laws are practically silent on the subject, is certainly a question to conclude in the negative. Such a negative conclusion, however, has had rather widespread acceptance in many states which has included Indiana as well to a considerable extent."

## Policy Issued for Years

It was pointed out that the American Motorists has been licensed and has been operating in Indiana for a good many years, issuing this form of policy now in question. While objections were occasionally registered in the past until the present time no ruling was sought.

The opinion cites the fact that mandamus proceedings brought against the superintendent of insurance in Ohio to bar the Merchants' Fire of Indiana from issuing participating policies resulted in an Ohio supreme court decision upholding the issuance of such policies by stock companies. "This case, although varying slightly with the one presented here," the opinion states, "was decided upon questions almost exactly similar to those here presented."

## Merit-Rating Approved

Referring to permission in the Indiana statute to use merit-rating in compensation insurance, the opinion states, "I can see nothing out of place with a 'contributory dividend schedule' which, with reference to profit returns, attempts to carry out much the same system or principle as employed by the bureau in its procedure with reference to rate making."

## Hunt Is N. Y. Federation Counsel

E. H. Hunt of Buffalo has been engaged to act as counsel of the Insurance Federation of New York, in association with Executive Secretary L. L. Saunders. He has been active in legislative work, most recently as counsel to the joint legislative committee on insurance law revision.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

## Compensation Line Facing Troubled Future: Dorsett

(CONTINUED FROM PAGE 24)

Opportunities for duplication of benefits have increased and "we are faced with burdensome, wasteful and demoralizing over-insurance" unless existing laws are amended and future legislation prohibits excessive duplication.

## Huge Expense Cited

The strong tendency to obligate the employer to provide all needed medical benefits without limit and to permit the injured employee to select his physician from an extensive panel needs study, Mr. Dorsett believes. Newspapers recently cited the case of a badly injured St. Paul fireman who incurred medical expenses aggregating \$70,000. While in a hospital he drew \$20 a week compensation for 500 weeks and a fireman's disability pension thereafter. That is multi-millionaire insurance. This problem will become more acute as compensation progressively extends into health insurance and covers more of the permanent disabilities of the aged. It will become overwhelming with a full fledged system of public health insurance providing hospital or sanatorium care where needed.

America has some of the most liberal compensation statutes in the world, Mr. Dorsett said. With compensation laws in 47 of the 48 states, premium writings in 1920 were \$185,000,000; in 1930, \$275,000,000, and in 1938, \$340,000,000.

## Variety of Changes Now Made in Burglary Manual

(CONTINUED FROM PAGE 24)

mium of \$2,000, and applies to mercantile safe, inside, outside and paymaster holdup, storekeepers and office policies.

Inside holdup rates have been reduced about 25 percent in territory 3, which includes Cook county, Illinois, Johnson and Wyandotte counties, Kansas and Cuyahoga county, Ohio. Territorial shifts reduce mercantile safe burglary rates in Illinois, Arizona, Lake county, Indiana, Polk county, Iowa, Missouri except Jackson county, Ohio except Cuyahoga, Franklin, Hamilton, Mahoning, Summit and Lucas counties, and Davidson county, Tennessee, and increase them in Denver, New Haven, Kent county, Massachusetts, Multnomah county, Oregon and Norfolk, Virginia.

## New Safe Class

A new safe classification, taking a lower rate than any other, has been introduced. It is called class G and is made up of class TX safes rated by Underwriters Laboratories as "torch and explosive resisting."

Mercantile safe and mercantile open stock discounts have been increased for alarm systems connected to a central station with the keys to the premises not in possession of the alarm company. Safe deposit box rates for individuals have been changed to provide maximum combined burglary and robbery rates on a sliding scale, varying with the amount of insurance and whether the vault is fireproof or burglarproof.

Labor unions have been added to the list of assured eligible for blanket insurance on money and securities on the assured's premises and in the possession and homes of custodians. The minimum premium for additional locations under the premises all risk policy has been cut from \$25 to \$15. A single exposure may be covered under this policy for 5 per cent of the annual premium for each 24 hours or fraction. The money and securities policy may be written at a 25 per cent discount if protection is restricted to securities. The valuable papers destruction policy is included in the miscellaneous section of the manual.

## See Huge Sales Possibilities

(CONTINUED FROM PAGE 23)

new law had been in effect 14 months—the percentage of insured motorists had reached 56. Though this was a bigger percentage gain than for the previous 10 years it took another year for the figure to reach 71 percent indicating that there was still plenty of opportunity for salesmanship to help the process.

Since the New York measure does not go into effect until Jan. 1, 1942, the rush of additional business will not be telescoped into a few months. There will be an opportunity for the gradual sales promotion job beginning as soon as the governor signs the measure. The bill would become effective July 1 only to the extent of authorizing the setting up of an administrative office. Sales promotion men at the home offices are not entirely of one mind as to the best time to begin aggressively campaigning in New York state.

Some feel that no time should be lost, once the measure is signed, in educating the public to the vast difference between being uninsured under the old financial responsibility law and under the new one. Others contend that it would be better to wait until early fall and then build up a campaign that would reach its climax when the law actually becomes effective the first of next year. Probably if experience shows that the new law can be used almost immediately as an effective sales stimulus it will cause companies generally to follow the lead of the more aggressive ones which start going after the prospects immediately.

Furthermore, the New Hampshire experience indicates that there will not be any overtaxing of insurance facilities when the bill goes into effect, even though it will be quite a shock to many motorists to learn what they face by going without insurance. Few people outside of those who have been following the Page-Armstrong measure's progress through the legislature have any idea how much more severe the new law is than the present financial responsibility law, which allows the "first bite" with no more severe penalty than the carrying insurance thereafter.

## Administration Is Important

How much business is sold as a result of the Page-Anderson measure will depend to a considerable extent on how effectively it is administered. Since the administration cost is to be assessed against the companies there should be no disposition on the part of the state to pinch pennies. As long as they have to pay the freight, the companies would benefit in increased premium volume from having the law administered in a manner to make motorists insurance conscious.

Finance companies are not happy about the provision barring the re-registry of an automobile which has come into toils of the financial responsibility law. This feature was part of the bar association's proposal and was aimed at motorists buying cars on time who might figure that all they stood to lose would be the relatively small equity they had in the car. If a car owner let his car be repossessed because the financial responsibility law prevented him from driving it the finance company could not offer the car for sale in New York state unless it chose to take care of the damage or injury claim—a course practicable only on relatively small claims. While the car could be sold outside of New York state it would not be possible to represent it as being eligible for registry in any state. This might not affect its resale value greatly but it would certainly make it impossible to sell on the basis as a car without any restrictions as to future registry.

This problem of having to sell cars repossessed for financial responsibility reasons would be much greater for local



lenders like banks than for the big nationwide finance companies. This would tend to complicate the problems of local agents in their efforts to place automobile financing locally in order to be able to write the fire, theft and collision insurance.

One possibility that is being discussed is that the finance companies, banks or other lenders might buy a form of insurance—not yet in existence—to cover the risk of a financed car being tied up, temporarily or permanently, because of the workings of the financial responsibility law. This would protect the lender's interest in the car and while it would of course be added to the car's sale price it would be less than buying insurance and there might be many car buyers irresponsible enough to prefer it to the extra expense of automobile B.I. and P.D. Since insurance against loss to the lender through the financial responsibility law might be regarded as an evasion of the law's intent, there is possible danger of its being adjudged contrary to public policy.

#### Joint Committee Reports

The joint legislative committee on recodification of the insurance laws handed a report on the Page-Anderson bill to the legislature just before adjournment. The committee observed that the bill was favored by organizations of such divergent interests as the New York Board of Trade and New York State Grange. Although Superintendent Pink and Commissioner Mealy of the motor vehicle department were unequivocally in favor of a compulsory automobile insurance law, they were not opposed to the Page-Anderson measure.

So far as handling rejected risks is concerned, the committee stated that assurance was given by the Association of Casualty & Surety Executives that if the Page-Anderson bill were enacted, a voluntary bureau would be put into operation in New York. Since the bill does not become effective until Jan. 1, the next legislature can add a provision for a statutory bureau if the voluntary plan is not organized and operating.

In an effort to discover what the effect would be of a compulsory law on the farmers, a survey was made as to the percentage of insured cars in the rural area. There were 703 farmers interviewed. That group owned 851 motor vehicles and of that number 406 were insured. The committee stated that it intends to make similar surveys in other parts of the state.

## Minimum Premium Reduced by Bureau

(CONTINUED FROM PAGE 23)

bile liability premium of \$150 and a comprehensive general liability premium of \$50, it will absorb the minimum premium. This will undoubtedly increase the number of prospects, as there are many risks with general liability premiums less than \$100, but with automobile liability premiums large enough to bring the combined premium well over the \$200 mark.

The new rules provide that grantors liability coverage shall be part of product liability and shall be optional whether product liability is covered or not. Grantors liability insurance is prominent mainly in New York state, where there have been decisions holding a former owner of property liable for inherent defects causing injury after he has sold the property. Some grantors liability insurance has been written under separate contracts and it is obviously included in comprehensive coverage. Under the new rules, a premium for grantors liability is charged only on property sold by the assured during the policy period and a separate minimum premium for this coverage will apply only when it is written under a separate policy.

Where the comprehensive automobile

liability policy is written for an individual, the new rule provides that broad form drive other cars coverage shall be given the assured and his or her spouse without additional charge. Previously, only limited drive other cars coverage was given under these conditions and an additional premium was charged if the assured wanted broad form protection. The new rule does not apply to partnerships.

It is no longer necessary to refer to the company or to the bureau for permission to exclude either specific locations covered under other existing policies or particular hazards covered at all locations by other policies. This may now be done for the period of the comprehensive policy, while previously permission of the company was required unless this exclusion applied only up to the expiration of the other insurance, the comprehensive policy automatically taking up this liability.

#### More Changes Than Expected

A reduction in minimum premiums for the comprehensive liability policies was not unexpected, but most observers did not figure it would come so soon nor that the reductions would be as great.

The National Bureau also announced that the rule providing an individual assured and spouse with broad form drive other cars coverage will apply to schedule and other automobile policies covering an individual where the assured carries coverage for owned automobiles, hired automobiles and non-ownership liability. This does not apply in cases where the named assured is a partnership and the names of the partners are included in the title of the policy.

#### Ade Moves to Larger Quarters

Charles W. Ade & Co., Chicago has moved from 410 Insurance Exchange to 506-508. The new quarters, which were required because of great growth of business, are 2½ times as large as the old and are fitted with the most

modern furniture and equipment. In addition to his augmented general office force, Mr. Ade announced that T. M. Risley would be associated with him henceforward.

## N. Y. Again Defers Policy Revision

(CONTINUED FROM PAGE 1)

ists take pains to make sure that the fire insurance policies are in perfect order, thus leaving the pitfalls of the conditional clauses for the stupid and innocent."

The committee suggests that the solution is a policy to cover the real situation and to do away with the conditional clauses, which the companies argue are inserted only for the purpose of defense in cases of suspected arson. The legislature, according to the committee, has dealt with the problem in a realistic manner, in making changes in the definitions of criminal arson and attempts to burn.

Another handicap to a solution of the problem, according to the committee, has been the great change in public thinking on explosion. When the committee first discussed changes, there was a strong sentiment for including explosion as one of the hazards to be covered by the fire policy. Within the last six months explosions in defense industries have shocked the nation. In some cases property at some distance has suffered damage. From the standpoint of the insurance company explosion has greatly increased as a hazard.

The committee pointed out that it had acted upon a bill which allows fire companies to write as miscellaneous property insurance, coverage against loss or damage to property resulting from electrical disturbances caused or concomitant with fire or an explosion in public service or public utility property. The agreement of all interested in that bill represents

the results of a minor but hotly contested struggle in connection with the recodification of the insurance law. The committee stated that it is pleased to present the solution and to make sure that such coverage is available to domestic companies.

The committee stated that it reluctantly decided to postpone the matter of revision of the standard policy until the next session. The unusual explosion hazard and other extraordinary factors arising from defense industry led the committee to take such action.

## Hour by Hour Program for N.A.I.A. Rally at Oakland

(CONTINUED FROM PAGE 1)

leader, assisted by: Wade Fetzner, Jr., vice-president W. A. Alexander & Co., Chicago, member executive committee; E. L. Heidel, Bozeman, Mont., national councillor Montana association.

"Developing a National Educational Program," George W. Scott, New York, director educational division National association.

General open discussion.

#### Wednesday Afternoon

2 p. m.—Fourth convention session.

"Say It in English," Stanley F. Withe, manager publicity department Aetna Casualty.

Forum discussion.

American Agency System vs. Production Branch Office System: Advantages of the agency system to companies, to agents, to the public; relation of the production branch office system, to companies, to agents, to the public; suggestions for the solution of the problem.

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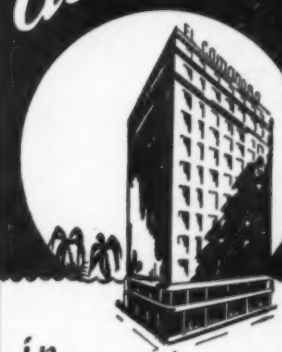
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OPEN THE YEAR ROUND

Salt Lake City, member executive committee, discussion leader, assisted by: Roy M. Hibben, Hibben & Fitzpatrick, Omaha; L. P. McCord, Jacksonville, Fla.; John J. O'Toole, F. D. Hirschberg & Co., president Insurance Board of St. Louis; Thomas A. Sharp, Hayes, Sharp & Haggerty, Rochester, N. Y., president New York State Association of Local Agents; Irwin Wootton, Wootton & Chapman, Atlanta, secretary Georgia Association of Insurance Agents.

#### Thursday Morning

9:30 a. m.—Fifth convention session. Forum discussion: The problem and its causes; special rating plans; meeting and eliminating dealer competition; bank financing.

Laurin W. Jones, Dodge City, president Kansas Association of Insurance Agents, discussion leader, assisted by: F. G. Ensign, Ensign & Ensign, Boise, president Idaho Association of Insurance Agents; H. H. Hendren, Sacramento, vice-president California Association of Insurance Agents.

The New Comprehensive Liability Policies: Coverage and exclusions, the survey, the market, sales technique and arguments, servicing, things to be avoided.

E. W. Robinson, Hartford Accident, San Francisco, discussion leader, assisted by: G. C. Appleton, Shepherd-Knapp-Appleton, Fresno, Cal.; Ralph W. Howe, Richmond, Va.; Harold N. Mann, Tacoma, Wash.

## Theft Bureau Cuts Auto Arson Losses

(CONTINUED FROM PAGE 2)

burned automobile on highways in their territory. With this sort of cooperation, rather quick results are being secured by the bureau on fire work.

"We also have under consideration at this time a plan whereby companies where they are permitted to do any underwriting can obtain information that should be of great value to them," Mr. Patterson said.

The picture, "Auto Fires," was shown to general agents.

#### Bureau Theft Work

Theft work of the bureau, organized 25 years ago, was briefly outlined by Mr. Patterson. It provided a central bureau of information on stolen cars and educated officers in identifying stolen and recovered cars.

A field man with the western division learned that where numbers had been changed, original numbers could be reproduced by the "heat process," which was of untold benefit eight or nine years. Smart thieves got wise to the fact that by heating the number after they had changed it in most instances they could prevent bringing it out by re-heating. The bureau began using the fairly successful chemical method, and in addition got manufacturers to use secret numbers, location being given only to the bureau.

Another help has been the federal law against transporting stolen cars across state lines. Active enforcement by the F.B.I. has been helpful because so few county and state officers in this territory have extradition funds.

#### Reduction in Theft Losses

Mr. Patterson became manager of the bureau in 1920, when 2,000 cars a year were being stolen, with recovery about 40 percent. Peak theft year was 1929, with 7,066 thefts, 5,893 recoveries in that area.

Rewards for recovery and, later, for conviction were helpful but were discontinued at the end of 1930. However, recovery percentage increased 6

percent. Since 1932 recovery has been better than 90 percent though number of automobiles greatly increased.

Theft rates in southern territory have been reduced to about 15 percent of what they were in 1920 as a result of the bureau's activity.

## Cairns Death Is Big Loss To Insurance Business

(CONTINUED FROM PAGE 2)

department Springfield; Frank A. Gantert, who became president of Fidelity & Guaranty Fire, and others.

Mr. Cairns returned to the east as assistant U. S. manager of North British, and became vice-president of the American affiliated companies of the group.

In 1922 he joined Fireman's Fund as manager of the eastern department at Boston where he remained until 1927 when he was elected a vice-president of the companies and transferred to the home offices in San Francisco.

In January, 1928, Mr. Cairns assumed countrywide supervision of the group's fire and automobile operations, and was made a director. He became first vice-president of the group in 1937.

Long recognized as one of the outstanding fire underwriters of the country, Mr. Cairns throughout his career expanded his early technical interest in underwriting of sprinklered risks and problems of fire insurance engineering and building construction.

#### Active in Pacific Organizations

He founded and served as president of the Pacific Factory Insurance Association and was president of the Pacific Board. He also took an active part in the work of various other company organizations, including the National Board.

His retirement dinner in 1939 was one of the most impressive and colorful dinners ever presented a retiring company official.

Three sons all have been engaged in the insurance business. Robert T. Cairns is field man for Providence Washington in Massachusetts at Boston. Allan A. Cairns is with the Fire Companies Adjustment Bureau on the coast, and James Cairns has been with Hartford Fire and Hartford Accident on the coast, though he now is serving as captain in the army. Mrs. Walden M. Howe, the daughter, is the wife of the special agent for the Sun at Albany, N. Y.

Mr. Cairns was described as "a very brilliant man with wide experience" by S. M. Buck, vice-president Great American, Chicago, who was closely associated with him in Fireman's Fund for several years. "He possessed a high moral character, an even temper under even the most trying circumstances, and an exceptionally sound judgment. Yet he was natural and endeared himself to everyone."

## Anticipate Biggest Marine Season on Great Lakes

(CONTINUED FROM PAGE 3)

Shipbuilders on the lakes not only are filling commercial orders but many of them have defense commissions as well, for submarines, motor torpedo boats (submarine chasers), etc. In addition to freighters and ferries, it is estimated, some 200 other sorts of boats are being fabricated on the lakes at the present time.

About 40 old boats have been taken by Canada and Great Britain. The latter has purchased several canal type boats for ocean shipping. These are so built they can get out of the St. Lawrence.

Increase in hull values is due, of course, to the fact that in case of partial loss repair and replacement will have to be with labor and materials that have increased some 50 percent from two years ago. The Great Lakes Underwriting Syndicate makes the hull rates on a merit basis. On cargo coverages there is no formal rate making body, although there is very little difference in the rates of the various underwriters.

There is a tendency to include with other coverage protection against war and against strikes, riots, malicious mischief, vandalism, sabotage, etc. Marine underwriters have one form for war, and one for the others, issued by the American Institute of Marine Underwriters. These rates are subject to 48-hour change. Some of this type of protection is expected to be purchased on lake shipping.

#### Get an Early Start

Government ice cutters moved out this year two weeks earlier than usual to open the Soo and Straits of Mackinac and went on to break harbor ice at Fort William. Ore boats began moving into Lake Superior April 7, earliest since 1902. Carriers are moving limestone ("flux") from upper Lake Michigan to South Chicago and Gary steel plants.

Weather has helped in the early movement. It has not been as severe a winter as usual, and ice is not so thick in the northern areas, which should be of great help to operators and masters.

Underwriters are hopeful for a profitable season. Last year there was little or no profit because of the Armistice Day storm. Operators are not penalized in rates for losses of this type, on the merit basis.

The government is providing a six-hour weather service on the lakes with local and long range forecasts.

#### Ocean Marine Increase

While there is no longer any trans-Atlantic business, since the British government buys everything and ships everything, increase in shipping to and from South America and the West Indies and a really tremendous movement to and from the Far East, have more than doubled ocean marine premiums originating in the middle west,

according to one observer. Another thing that has built up ocean marine premiums is war rates, which are over and above marine rates, and which are high. Ocean marine premiums originating in the middle west are several times what they used to be. Shipments to and from the Far East have doubled and tripled since the British have had to transfer boats carrying rubber, tungsten, etc., from the Orient to other waters and for other purposes, and this shipping has fallen to American tonnage.

## N.F.P.A. Program Features Problems of War Defense

(CONTINUED FROM PAGE 3)

a fire defense forum presided over by George W. Elliott. Dr. W. O. Gliddon, federal A.R.P. officer of Canada, will give a talk on "Civilian Defense Problems"; G. E. Brookes, Royal Canadian Air Force, on "British Commonwealth Air Training Program"; Elliot Ness, director of public safety, Cleveland, on "The Cleveland Fire Defense Plan."

At the final session Friday afternoon there will be a talk by A. W. Dallas of the Civil Aeronautics Authority on "Fire Safety in Aviation," and by D. P. Godwin, chairman of the forest committee, on "Forest Fires and National Defense."

On May 14 there will be a luncheon under the auspices of the Dominion Fire Prevention Association and the Association of Canadian Fire Marshals. That evening there will be an informal supper dance. On Saturday there will be an excursion to Callander to see the Dionne quintuplets.

## N. Y. Fund Assets \$63,080,923

Assets of the New York state compensation fund at Dec. 31, 1940, amounted to \$63,080,923. Surplus was \$6,748,509. The fund is patronized by about 44,900 employers.

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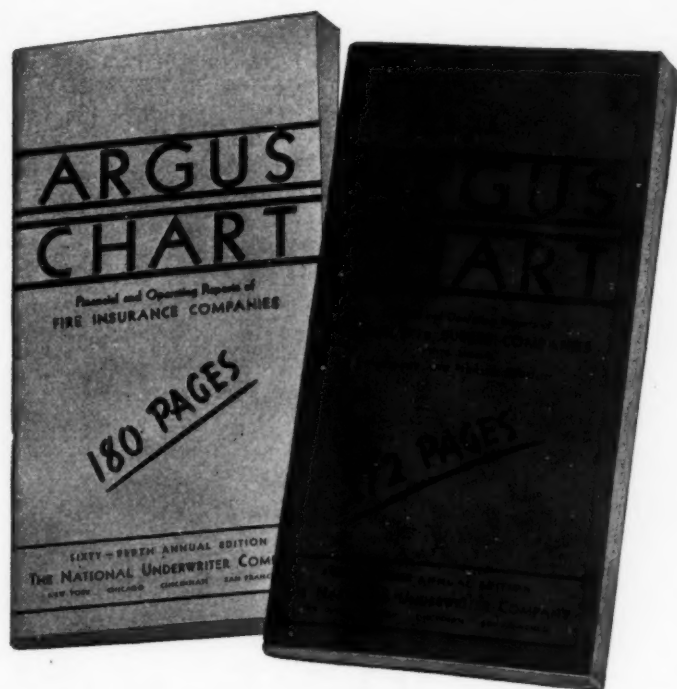




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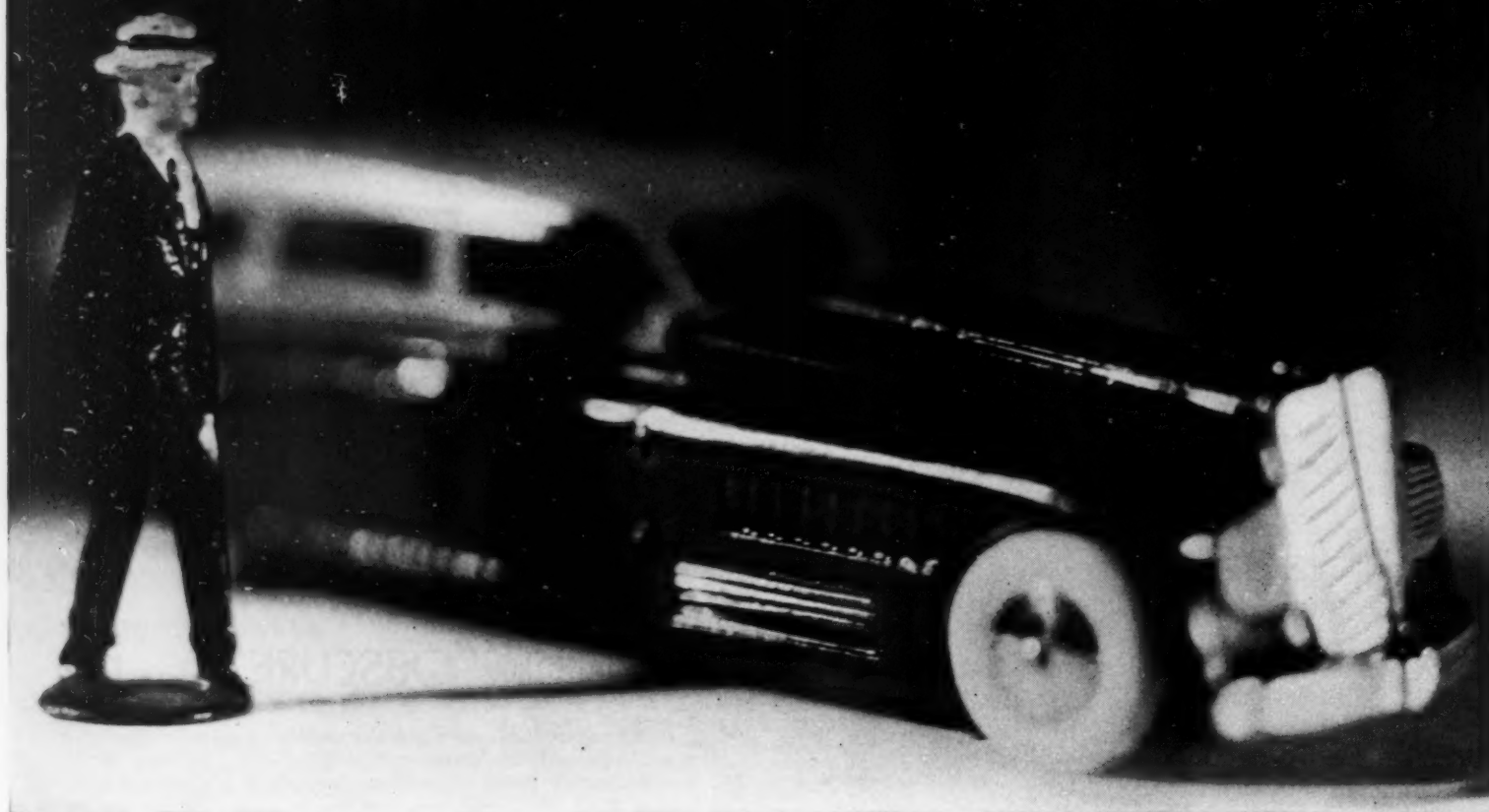
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